

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, to rank from the 30th day of June 1937:

Waldsworth C. C. Troja- Sidney P. Vail
kowskl Theodore DeW. Allan
George H. Rice

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy, with the rank of lieutenant, to rank from the date stated opposite their names:

George N. Crosland, June 3, 1937.
Victor A. LeClair, June 3, 1937.
Robert W. Wheelock, June 3, 1937.
James H. Connelly, June 3, 1937.
Merritt J. Crawford, June 30, 1937.
Adolph W. Borsum, June 30, 1937.
William D. Bryan, June 30, 1937.
Paul M. Carbiener, June 30, 1937.
Claude E. Adkins, June 30, 1937.
Richard H. Barrett, Jr., June 30, 1937.

The following-named acting chaplains to be chaplains in the Navy, with the rank of lieutenant, to rank from the date stated opposite their names:

Thomas J. Knox, June 3, 1937.
Paul G. Linaweaver, June 30, 1937.
Roy R. Marken, June 30, 1937.
Frederick W. Meehling, June 30, 1937.

Naval Constructor William G. Du Bose to be a naval constructor in the Navy, with the rank of rear admiral, to rank from the 1st day of August 1937.

Lt. Isaac S. K. Reeves, Jr., to be a lieutenant in the Navy, to rank from the 24th day of March 1936, to correct the date of rank as previously nominated and confirmed.

MARINE CORPS

Francis F. Griffiths, a citizen of the State of New York, to be a second lieutenant in the Marine Corps, revocable for 2 years, from the 1st day of July 1937.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 5 (legislative day of July 22), 1937

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Robert Frazer to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to El Salvador.

Frederick A. Sterling to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Estonia and Latvia.

Frank P. Corrigan to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Panama.

Arthur Bliss Lane to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Yugoslavia.

DIPLOMATIC AND FOREIGN SERVICE

George D. Hopper to be a consul general of the United States of America.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 5, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Bow down Thine ear and hear us, O Lord. Thou art good and ready to forgive and plenteous in mercy unto all them that call upon Thee. Turn unto us and impart Thy wisdom unto Thy servants; pardon our sins and give grace and tranquillity born of trust. Heavenly Father, life is so real and so full of purpose that we pray Thee to root and ground us in the precious realities of faith and character.

Let us be reminded of the divine sovereignty and not forget that eternity has been set in our hearts. O come, Almighty God, speak peace to the nations and dominate the stormy waters; O sit on the water floods and overrule them, we pray Thee. Preserve the health and strength of our President, our Speaker, the Members, and all others associated with this historic Chamber. Through Christ, our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 1640) entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins, and others", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SCHWELLENBACH, Mr. LOGAN, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 191. An act for the relief of Orson Thomas;
S. 449. An act for the relief of the estate of Charles Pratt;
S. 792. An act for the relief of Margaret Larson, a minor;
S. 893. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Jack Wade, Perry Shilton, Louie Hess, Owen Busch, and William W. McGregor;
S. 972. An act for the relief of Ethel Smith McDaniel;
S. 1401. An act for the relief of Willard Collins;
S. 1453. An act for the relief of Maude P. Gresham and Agnes M. Driscoll; and

S. J. Res. 171. Joint resolution relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1637) entitled "An act for the relief of Mrs. Charles T. Warner", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LOGAN, Mr. BLACK, and Mr. CAPPER to be the conferees on the part of the Senate.

CONSERVATOR IN BANKRUPTCY

Mr. SABATH, from the Committee on Rules, submitted the following report (Rept. No. 1442) to accompany House Resolution 300, which was referred to the House Calendar and ordered printed.

House Resolution 300

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6963, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

REVISION OF NATIONAL BANKRUPTCY ACT

Mr. GREENWOOD, from the Committee on Rules, submitted the following report (No. 1444) to accompany House Resolution 301, which was referred to the House Calendar and ordered printed:

House Resolution 301

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 8046, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and

supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

INVESTIGATION OF VARIOUS PRACTICES IN THE INFERIOR COURTS

Mr. DRIVER, by direction of the Committee on Rules, presented the following report (No. 1443) to accompany House Resolution 287, which was referred to the House Calendar and ordered printed:

House Resolution 287

Resolved, That the Committee on the Judiciary, as a whole or by subcommittee, is authorized and directed to investigate the organization and operation of, and the administration of justice in, the courts of the United States inferior to the Supreme Court; the jurisdiction, both as to territory and subject matter; the procedure; rules of practice; and costs.

The committee shall report to the House during the present Congress the results of its investigation, together with such recommendations for legislation as it may deem advisable.

For the purposes of this resolution, the committee or any subcommittee thereof is authorized (1) to sit and act during the present Congress, at such times and places within the United States as it may deem necessary, whether or not the House is sitting, has recessed, or has adjourned; (2) to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it may deem necessary; (3) to issue subpoenas under the signature of the chairman of the committee, or any member designated by him which shall be served by any person designated by such chairman or member; and (4) to administer oaths to the witnesses, respectively, by the chairman or any member of any committee acting hereunder.

DISTRICT OF COLUMBIA—DIPLOMATIC PROPERTY

Mr. FISH. Mr. Speaker, I ask unanimous consent to file a minority report from the Committee on Foreign Affairs on House Joint Resolution 473, to regulate the use of public streets and sidewalks within the District of Columbia adjacent to property owned or occupied by foreign governments for diplomatic purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a statement from Mr. Patterson, of Baltimore, Md., on the status of correctional education in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SUGAR BILL OF 1937

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 297.

The Clerk read as follows:

House Resolution 297

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7667, a bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

COMMITTEE ON WAYS AND MEANS

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield to permit me to submit a unanimous-consent request?

Mr. GREENWOOD. I yield.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may be permitted to sit during the sessions of the House for the remainder of this session.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the Committee on Ways and Means may be permitted to sit during the sessions of the House during the remainder of the session. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Indiana yield to permit the gentleman from New York to submit a parliamentary inquiry?

Mr. GREENWOOD. I yield.

Mr. FISH. Mr. Speaker, when permission is given to a committee to sit during the sessions of the House, does that give any rights to any of the members of that committee on roll calls?

The SPEAKER. Absolutely none.

Mr. FISH. Not even on quorum roll calls?

The SPEAKER. It does not. On all quorum roll calls all Members who desire to be recorded must appear and vote on the roll call.

SUGAR BILL OF 1937

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

The SPEAKER. The gentleman from Indiana is recognized for 30 minutes and the gentleman from Michigan is recognized for 30 minutes.

Mr. GREENWOOD. Mr. Speaker, this resolution, No. 297, from the Committee on Rules, will make in order the consideration of the so-called sugar bill. It is an open rule providing for 4 hours of general debate, for amendment and discussion under the 5-minute rule. I am presenting this rule this morning, Mr. Speaker, because of the illness of my colleague, the chairman of the committee, the gentleman from New York [Mr. O'CONNOR], whose throat is seriously affected.

Mr. Speaker, I shall not attempt to discuss the legislation which has been so ably considered by the Committee on Agriculture. Those who desire information about the bill should direct their questions to the chairman of that committee, the gentleman from Texas [Mr. JONES]. I think this is important legislation and is necessary, because the legislation dealing with sugar production and refining expires this year. In order to reach an adjustment between the various interests in this field, continental and insular interests, the committee has worked diligently. I feel sure that the rule will be adopted.

Mr. Speaker, I reserve the balance of my time.

Mr. MAPES. Mr. Speaker, I shall take just enough of the time assigned to this side to say that I am in favor of this rule and of the legislation which it makes in order. The sugar-beet industry of Michigan is supporting this legislation. There is one sugar-beet factory in the district which I represent, and a considerable number of farmers in the district raise sugar beets. I believe this legislation is in their interest as well as in the interest of the public generally and I am, therefore, glad to support it.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I am very glad to support both the rule and the bill which the rule makes in order. I am particularly pleased to find that finally we have reached the stage where we seem to be doing what we can on behalf of an industry in our own country.

I have objected in times past to quotas being allotted to various countries for sundry kinds of property or goods coming into this country, and I believe I have spoken previously in regard to the treatment of the sugar industry in the United States and the manner in which it has been oppressed to a very large extent by the administration in favor of Cuba. As I understand the measure before us today, and I have not studied it in detail, it will permit a better

chance for the sugar refineries being able to take the raw sugar and refining it here.

The gentleman from Michigan [Mr. MAPES] has referred to the growing of sugar beets in his State. We in Massachusetts and New England, of course, do not raise either the cane or the sugar beet, but we have a refinery in the Commonwealth of Massachusetts, not in my district, which employs several hundred hands. I have never understood why other countries should be favored by a quota that would prevent the refining of that sugar in our home section; therefore I want to congratulate the Committee on Agriculture for what they have endeavored to do on behalf of an industry within our own boundaries.

There are a number of refineries scattered throughout the country and I am sure I am voicing the sentiment of the employees of those factories when I say we are heartily in favor of the opportunity this bill will give to show some slight favor for the sugar-refining industry of the United States.

Mr. Speaker, I yield back the remainder of my time.

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LANZETTA].

Mr. LANZETTA. Mr. Speaker, I am opposed to bill H. R. 7667 because it discriminates against American citizens who reside in Puerto Rico. This bill, which is agricultural in scope, tends to legislate on a purely industrial problem, and in doing so sets up trade barriers against the American Territory of Puerto Rico.

During the second session of the Seventy-third Congress chaos reigned in the sugar-producing industry. Because of this condition which was bringing wreck and ruin to many American producers, emergency legislation was proposed which would control production and thus stabilize the industry. When this legislation was first considered, it was the intention of its sponsors to apply it exclusively to the production of sugar beets and sugarcane, and in no way to include the manufacturing phase of the industry. However, when the bill was finally reported by the Committee on Agriculture it not only discriminated against Puerto Rico and Hawaii insofar as raw cane sugar was concerned but it also set a limitation on the amount of refined sugar which these areas could manufacture.

Mr. Speaker, I opposed that bill for the same reason that I am now opposing bill H. R. 7667. I contended at that time, as I do now, that no legislation should be passed by Congress which discriminates against any American citizen. While my opposition to that bill was unrelenting, I received in defeat some degree of satisfaction by the assurance that that bill (Jones-Costigan Act) was only a temporary measure and that upon the enactment of permanent legislation the discriminations which I complained of would be removed.

We are now considering permanent sugar legislation, and I find that it still has some of the objectionable features which I complained of in the Jones-Costigan measure. I shall oppose this legislation just as strenuously because I cannot and will not sit idly by and see American citizens who reside in Puerto Rico discriminated against as they are in this bill.

Mr. Speaker, on March 2, 1917, the Congress of the United States gave to the people of Puerto Rico American citizenship without any qualification or restriction whatsoever. They were told at that time that they were 100-percent American citizens as long as they upheld the Constitution of the United States, obeyed the laws of our land, and discharged all the duties of American citizenship. Notwithstanding the fact that they have lived up to all the requirements of citizenship, Congress is being asked today, 20 years later, to enact into law a bill which debases the very American citizenship which was given to them so cheerfully and ungrudgingly.

There are two phases to this bill—one agricultural, wherein raw sugar quotas are allotted to the various producing areas in the United States and some foreign countries, and the other industrial, wherein limitations are put upon Hawaii,

Puerto Rico, and the Virgin Islands as to the amount of direct consumption or refined sugar which they can produce.

Puerto Rico has no quarrel whatsoever with the quota which it is given under this bill insofar as raw cane sugar is concerned. As American citizens they are more than willing to assume the same burdens which are being imposed on every other American citizen. It is with respect to direct consumption or refined sugar that the American citizens of Puerto Rico complain. They feel, and justly so, that in being limited as to the amount of direct consumption or refined sugar which they can produce that they are being discriminated against inasmuch as no such restriction is placed upon the American citizens who reside in continental United States. They contend that if no limitation is placed in this bill on the direct consumption or refined sugar manufactured in continental United States, that there should be no restriction placed on the manufacture of direct consumption or refined sugar in Puerto Rico. There can be no doubt but what this unwarranted limitation on the American citizens of Puerto Rico is purely and simply a discrimination against American citizens who reside in that island.

While on this point I wish to quote from a letter sent by the Honorable James Roosevelt to the leaders of the House of Representatives on July 10, 1937, wherein he stated:

None of the most nationalistic Republican administrations ever acceded to the demands of any group for the erection of trade barriers against the Territories of the United States. It is also important to note that the demand of the cane refiners for a trade barrier against refining operations in the domestic insular areas might prove to be the entering wedge for other groups to seek similar trade barriers against Hawaii, Puerto Rico, and the Virgin Islands.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. LANZETTA. Mr. Speaker, the discriminations in this bill against the American citizens who reside in Puerto Rico are only the beginning of what may follow. There have been strong rumors on Capitol Hill that at the beginning of the next session of Congress the distillers of continental United States will come here to ask for legislation restricting the production of rum, not only in Puerto Rico, but also in Hawaii and the Virgin Islands. Rum, as we all know, is a by-product of raw sugar. If we now restrict the manufacture of direct consumption or refined sugar, the distillers may well feel that they too are entitled to a restriction upon the manufacture of rum. Again, if we set this dangerous precedent, is it not possible that tomorrow a bill controlling the production of tobacco might contain a similar provision restricting Puerto Rico as to the amount of cigars, cigarettes, and smoking tobacco it may manufacture and send to the United States? What if a cattle-control bill were to be introduced in Congress? Would it not be possible, in the face of this dangerous precedent, to again restrict Puerto Rico as to the amount of cheese and other dairy products it may manufacture and ship to the United States?

Mr. Speaker, there can be no question but what this sort of discrimination against American citizens in offshore areas may go on ad infinitum. It is for these reasons that this bill should not pass unless the limitations as to the amount of direct consumption or refined sugar which Puerto Rico may ship into the United States are removed. There is no question about the American citizens of Puerto Rico having discharged all of the duties of citizenship. That being so, why should they be discriminated against?

As far as I know, there is nothing in the Constitution of the United States which says that there are two kinds of citizenship—one for continental United States and one for those who reside in the offshore areas. Since there is no distinction in American citizenship, why should the citizens who reside in Puerto Rico be asked to bear greater burdens than the citizens who reside in continental United States?

There can be but one standard of citizenship in this great democracy of ours. If today you debase the American citizenship of those citizens who reside in Puerto Rico you

will be setting up a double standard of citizenship, which in the future may again be invoked not only against the American citizens who reside in the island, but also against the American citizens of Puerto Rican extraction who reside in the United States.

Mr. Speaker, there can be no reason whatsoever either economically, politically, or otherwise for discriminating against American citizens who reside in Puerto Rico, and unless I am given assurances that the discriminations which I am complaining of will be removed from the bill I shall oppose not only the bill but also the rule. [Applause.]

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, I have asked for this short time in order to call your attention to what I conceive to be a complete misconception in the mind of the gentleman from New York [Mr. LANZETTA] who has just preceded me in regard to the actual facts and actual results of this piece of legislation.

First of all, the gentleman attempts, due to his conception of this bill, to consider the bill not as an agricultural bill alone, but as having a second part to it, separate from the agricultural phase, to which he referred as the industrial part. May I call attention to the fact that instead of there being discrimination in this bill, the Members of the House, if they will read the objectives and purposes set out at the beginning of the bill, will find that it proposes to promote the welfare of the domestic sugar industry. The producers in Hawaii, Puerto Rico, and the other States in the Union inhabited by American citizens are all classed as American producers. The American market for sugar is not to be found here in continental United States alone, but is to be found in the refining areas in Hawaii and Puerto Rico.

If we are to effect anything in promotion of the general welfare of this great industry vital to our Nation, we must first of all recognize that the market for the sugar producer is the sugar refiner. Do not forget this, because we humans do not consume raw sugar, we consume sugar after it is processed and refined. For my part, Mr. Speaker, I have no sugar producers in my district and I have no refiners in my district, but I yield to no man in my determination not to depart from the fundamental principles which rise in the first instance from the first law of nature—self-preservation.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. KLEBERG. I cannot yield, my time is too short.

The situation which presents itself to this House is one which involves the adoption of a rule that has for its purpose the protection of a great market to which the producers of raw sugar in the various States and the insular possessions send their products. Under the terms of this bill, which has received most deliberate consideration by a legislative committee of the House, all of the States and insular possessions come in for certain concessions having to do with reductions in their raw-sugar production. We then come to the phase which the gentleman seeks to describe as not being in the interest of the agricultural producer. The gentleman states that we are discriminating against Hawaii because we are merely putting back into the bill the original principle subscribed to by this administration and the legislative branch of the Government in the Jones-Costigan Act, the purpose being not only to provide a continuing good market for the producers but to provide a fair market to which American consumers may go to obtain their supplies. I think that without question under the operation of the Jones-Costigan Act and under this bill American consumers will continue to have a fair market and a low price for that inestimably important household and food commodity known as sugar.

The attempt to bring sectionalism into this bill and the suggestions made by my distinguished friend, the gentleman from New York, smack more strongly of discrimination. I grant that our approach to this question is one which is based upon a desperate effort following the great depression to keep the American sugar industry intact in its inseparable present status. To permit other than that would

require going back into past conditions which brought the continental American refiners down to below 65 percent of their potential capacity to melt and refine sugar which they now enjoy.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore (Mr. FULLER). The Chair will count. [After counting.] One hundred and seventy Members are present, not a quorum.

Mr. GREENWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 135]

Binderup	Drewry, Va.	Kloeb	Rabaut
Boyer	Eaton	Lambeth	Schneider, Wis.
Buckley, N. Y.	Ellenbogen	Lamneck	Scrugham
Bulwinkle	Farley	Lewis, Md.	Simpson
Cannon, Wis.	Fernandez	Luckey, Nebr.	Sirovich
Celler	Flannagan	McClellan	Smith, Maine
Chapman	Ford, Calif.	McFarlane	Smith, Va.
Citron	Fries, Ill.	McGranery	Smith, W. Va.
Cole, N. Y.	Fulmer	McGroarty	Snell
Cooper	Gasque	McLean	Starnes
Creal	Gavagan	Maas	Stefan
Crosby	Gilchrist	Magnuson	Sullivan
Crowe	Gray, Ind.	Mitchell, Ill.	Sutphin
Crowther	Gregory	Mott	Taylor, Colo.
Curley	Hancock, N. C.	Murdock, Ariz.	Taylor, Tenn.
Dempsey	Harter	O'Connor, Mont.	Treadway
Dingell	Hill, Ala.	Peyser	Vincent, B. M.
Ditter	Jenks, N. H.	Pfeifer	Weaver
Douglas	Johnson, Okla.	Plumley	
Doxey	Kennedy, Md.	Quinn	

The SPEAKER pro tempore (Mr. FULLER). Three hundred and fifty-four Members have answered to their names, a quorum.

On motion of Mr. GREENWOOD, further proceedings under the call were dispensed with.

Mr. MAPES. Mr. Speaker, I yield 10 minutes to the Delegate from Hawaii [Mr. KING].

Mr. KING. Mr. Speaker, this resolution brings before the House the long-awaited sugar legislation, which has been under consideration by the Committee on Agriculture in one form or another since March 15 of this year.

I am sorry that the controversy over different features of the proposed legislation has engendered so much heat as to lead several proponents of the special interests involved to attack Hawaii on matters not germane to the legislation itself, and even on occasion to attack me personally. I have not attacked any other interest or community, nor do I propose to do so, but I shall later reply to the unjust attacks on Hawaii.

I am sure the Members of the House realize that I have the same responsibility to the district I represent here in Congress and the people living in that district that they themselves have to their respective districts. There would be no justification for my being here unless I were prepared to fight for the rights of my people. Perhaps every Member owes a primary obligation to the Nation as a whole and a secondary one to his own district; or some may feel it is vice versa. But certainly the Members understand that as a Delegate from a Territory, a voteless voice in this great body, I am primarily the spokesman for Hawaii and its people; and I am dependent upon the sense of national obligation of the membership of this House to secure justice for Hawaii.

I have consistently fought for the principle of equal treatment for Hawaii, as an integral and inseparable part of the United States. No other issue is involved. This bill does not provide for that equality of treatment in one of its provisions, that places upon Hawaii a special restriction as to refined sugar, which is not put upon the sugar-producing areas of the mainland. I understand the chairman of the Committee on Agriculture will propose an amendment that will remove this feature of the bill, and I hope this amendment will be accepted by the House.

The issue transcends the pending legislation. If a constituent part of the United States, over which the American

flag flies, in which American industry has its being and American citizens live and earn their livelihood, can be legislated against in favor of another section, simply because it happens to be a Territory and geographically separated from the North American Continent, then indeed are the guaranties of the Constitution denied, the promises of American democracy repudiated, the monopoly of industrial processes maintained, and a policy of colonial exploitation substituted for that of equal justice under law that has been America's proud boast.

No such legislation was proposed to prevent the South from manufacturing its own cotton, nor to restrict the refining of oil in Texas in favor of other long-established oil refineries; nor would this Congress tolerate the proposed legislation if Hawaii were carved out of the mainland instead of being some 2,000 miles offshore. Every American should be thankful that Hawaii does stand in the Pacific, the western outpost of this great Nation, and find in that insularity an occasion for gratitude that Hawaii is under the American flag, and not an excuse to consider its people as something less than Americans, to be treated differently from those who, by choice or accident, live on the mainland.

I have addressed the House before on the historical background of the annexation of Hawaii to the United States; how the people of Hawaii, after a hundred years as an independent nation, gave themselves and their country, a free and a priceless gift, to this Nation; of the implications of the negotiations leading up to annexation; and of the language of the joint resolution which consummated annexation. These implications were in part carried out by the incorporation of Hawaii as a Territory at a time when there were several other Territories on the mainland.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. KING. Yes.

Mr. COLDEN. I would like to have some information on a point about which there has been considerable controversy. What is the scale of wages paid in the sugar refineries of Hawaii as compared with similar plants in the United States proper?

Mr. KING. May I say to the gentleman from California that the details of that subject I expect to take up in the discussion of the bill itself. I am addressing myself in this limited time to the general principles of my stand with respect to Hawaii as a part of the United States.

Mr. HEALEY. Mr. Speaker, will the gentleman yield for a brief question?

Mr. KING. For a question; yes.

Mr. HEALEY. The provisions of the wage and hour bill do not apply to Hawaii?

Mr. KING. They do apply to Hawaii, I beg to correct the gentleman. I saw to that; and when the original bill was introduced, leaving out Hawaii, I wrote to the chairman of the committee and had Hawaii included, and the new draft of the bill includes Hawaii in all its provisions. I may also say to the gentleman that the National Labor Relations Act also applies to Hawaii. We have had recently an investigation of a stevedore strike made by an agent of the N. L. R. B.

I will now continue with the general argument I am trying to make.

Since annexation we have shared in all the burdens and responsibilities of American institutions, accepted the obligations of our proud estate as a part of the United States, and enjoyed the benefits that this great country confers upon its people. We have lived up to the letter and the spirit of our contract of annexation. We pay all the taxes and tariffs that Congress levies. The immigration laws, the labor laws, and the coastwise-navigation laws apply with equal effect in Hawaii as on the mainland. We have in the past and continue in the present to take not our part but a disproportionate part in the military service of the United States. In other words, we are a loyal and a patriotic community under the flag.

We have prospered as a part of the United States. We have sold our commodities in the American market as rightfully as do the citizens of Colorado or of Louisiana. We buy

in the American market to the same extent as our fellow citizens of all the States. From the profits of our industry we maintain our local governments virtually without subsidy from the Federal Government, and pay into the Federal Treasury sums greatly in excess of those paid by many States. All this I have said before, and only repeat these pertinent facts so the matter may be fresh in the minds of the Members when the amendment that will grant us the right, to which we are entitled, to be treated exactly as any other part of the United States is treated comes up for their action.

We are as a territory governed by Congress to a greater degree than a State. If there be anything in local conditions that do not meet with the approval of Congress, then this body has both the responsibility and the authority to correct such conditions. First-hand testimony of authoritative character from both executive and legislative sources exists that refutes the propaganda of selfish interests and the vague statements and untrue charges of persons who have never been to Hawaii that there are such conditions. But whatever change may be considered to be required cannot serve as a justification for adopting toward Hawaii and its citizens a different, a special law for the control of its economic development.

Existing sugar legislation is an extension of an emergency measure. Its provisions should not be used as a precedent for permanent long-range legislation. Yet it is so used; and in the effort to rationalize a discrimination against Hawaii great stress is laid on the fact that such discrimination does in fact now exist. How much greater is there the need for me to protest, as my predecessor protested the present law, the establishment of another precedent, to be again used to the detriment of Hawaii at some later date, and perhaps against another of our industries.

I ask this body to remember the fundamentals of our democracy, to think back to the time when this very type of colonial exploitation was practiced against America by Great Britain, and to accord Hawaii and the American citizens of that Territory, in equity and fairness, the right that should be open to every American to pursue their economic development within the allotted quota without a restriction that legalizes an existing industrial monopoly. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Speaker, my purpose in addressing the House at this time is to make a few observations on two speeches delivered here Tuesday.

One was by the gentleman from Mississippi [Mr. COLLINS] in support of a bill providing for the establishment of five subsidiary national libraries and the other was by the gentleman from New York [Mr. FISH] with reference to the maintenance of American armed forces in China.

The gentleman from Mississippi made a splendid speech, in the course of which he referred to the destruction of great libraries in the past by hostile invasion, civil war, and other causes. He mentioned specifically the damage suffered by the Library of Congress during the War of 1812. But he failed to say anything about who was responsible for that act of vandalism.

Lest we forget, George III sat on the throne of England during the War of 1812. English supremacy over the waters of the world was the issue then. And England, a mere dot on the earth's surface, controls the seas today. George I was the ruler of England from 1714 to 1727; George II from 1727 to 1760; George III from 1760 to 1820, covering the periods of both the American Revolution and the War of 1812; George IV from 1820 to 1830; George V from 1910 to 1936; and now there is sitting on the English throne another George, the Sixth.

The gentleman from New York urged the withdrawal of our armed forces in China, lest it lead us into war. Why restrict ourselves to China? I say we should also withdraw from other countries. Many of our ancestors came to America to get away from warfare, turmoil, and bloodshed. Their descendants should not be catapulted into the very maelstrom of hell they abandoned.

It is reported in the press that Mr. Bernard Baruch is unofficially representing the United States in negotiations for the settlement of the British World War debt, and we are informed that already Lord "Kiljoy" and many others of the titled gentry have dined and wined Mr. Baruch. That is an ancient practice of old Albion, namely, to fill the belly and dull the head, and it is used on all softy representatives of visiting nations, ranging from Ambassadors Extraordinary and Ministers Plenipotentiary clear down to unofficial representatives such as was Col. E. M. House.

Mr. Baruch should realize that this country does not want her pound of flesh. England and other countries got theirs from the nations defeated in the World War. America got nothing, unless it was the honor of trying to "make the world safe for democracy."

What America wants is the return of the billions of gold dollars, belonging to her citizens, that she let England have to put her on her feet when she was in dire distress. America needs the money. America should have the money. And by all the rules of decency, the entire debt should be paid.

The merest novice in American political history knows that President Wilson made a disastrous mistake when he went to Europe in the winter and spring of 1918-19 and fell into the hands of European diplomats. He would have been far more powerful had he negotiated from Washington instead of from Versailles. No special representative of this country, official or unofficial, should be sent abroad to deal with defaulting foreign nations. All dealings should be had from here, and every American citizen should know in advance exactly what is going on.

Now, as an old-time bill collector, I believe I am qualified to make a few suggestions that might be of service to our friend Barney. In the first place, I see no great need for so much politeness and diplomacy in trying to collect a bad debt. When it comes to the art of diplomacy, England produces diplomats par excellence.

If England had engaged in a game of African golf and had thrown a snake eye or a boxcar and then refused to settle up, she would have been forever barred from all other respectable crap games. Or, even in the great American game of poker, if England had welshed, she would not have been admitted to future games.

Just a few days ago a member of the New York Stock Exchange was expelled, charged with stock manipulation. Yet England, who has been manipulating and conniving all these years to defraud America of a just debt, is still accepted in polite governmental society.

I say that Barney should have taken along with him as an aide a hard-boiled constable, to seize any loose property in England, such as the royal jewels. Or, better yet, let him call upon Sheriff Peter McGuinness, of Kings County, N. Y., and have him summon a posse comitatus to seize the *Queen Mary* the next time she docks at Brooklyn. That ship was built with money rightfully belonging to the American people, and although she is now being used as a public carrier, she is designed and intended to be used for war purposes whenever the exigency arises. And the same thing should be done as to the *Normandie* of France, and the ships of all other dead-beat nations who have run out on their honor debts to America.

Let us not be led astray by English cunning. The dolt to be offered us at this time is merely to quiet America's hostility due to England's welshing. America should be paid in full; but she should accept no terms that might possibly lead to a European alliance of any kind. Even should we lose every cent of the money owed us, if by so doing this country will be kept out of the conflicts in Europe, it will have been a splendid investment.

America's slogan should be, "Not one American boy for foreign war trenches." And this notwithstanding the sentiments of the Anglo-aping, knee-breeches, gold-garter, and monocle-wearing American jackasses who flit back and forth between dear old London and uncultured America. All dealings with foreign nations should be brought out into the open. There must be no passing of air between the sheets.

Let the American people see and hear all that is transpiring behind the governmental scenes and, as Thomas Jefferson so truly said, "They may safely be trusted to hear everything true and false, and to form a correct judgment between them." [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Speaker, it is rather unfortunate that the situation should arise when charges of discrimination are made against any Territory or any State. It is my contention, and I believe the contention of those who are interested in this sugar legislation, that there is no discrimination against Hawaii or Puerto Rico. If there is any discrimination, it is discrimination against the industry in the United States. We produce only about 25 percent of our consumption, and the islanders are trading in the American market. If Hawaii and Puerto Rico were to sell their sugar on the world market, they would receive about \$100,000,000 less than they get from the American market. Is that discrimination? Let me give you an illustration of discrimination against American citizens in Hawaii—discrimination on the part of Hawaii, if you please, against American citizens. I refer, gentlemen, to H. R. 1995, introduced, I believe, by the Delegate from Hawaii [Mr. King] where they want a national park in Hawaii. Let me read to you what discrimination really is.

This bill introduced by the Delegate from Hawaii provides in part as follows:

Provided further, That occupants of homesites in this national park shall reside on the land not less than 6 months in any one year: *Provided further*, That in construction projects within the area preference shall be given in employment of labor, first, to native Hawaiians.

It does not say citizens of the United States but restricts it to native Hawaiians.

Then further:

Fishing shall be permitted in such area only by native Hawaiian residents.

Not open to all American citizens but restricts it to native Hawaiians.

And there are other discriminations in that bill. Here they introduce a bill right in the Congress of the United States and they ask for discrimination against American citizens, and then they come here and raise the wail of their voice and say they are discriminated against and then say that they are American citizens. I recognize that, but I do not believe that after all the good things that Uncle Sam has done for Hawaii, Puerto Rico, and Cuba that they should come in now asking that we discriminate against ourselves in favor of the islands.

I want at this time to pay tribute to the great chairman of the Committee on Agriculture, the gentleman from Texas [Mr. Jones]. [Applause.] I want to pay tribute to the great chairman of the Subcommittee on Agriculture [Mr. Cummings], on which committee I have the honor to sit. Those two gentlemen used diplomacy and tact in face of one of the fiercest onslaughts on legislation that has been made in the history of this Congress. It is about time that we legislate and that we do not take the dictates of the departments. I think it is about time the Members of this House legislated as they see fit. The thing that happened in bringing out this rule is a disgrace to the American Congress. Those departments practically said, "You will either amend this bill, or you do not get a bill", but, due to the courage and fighting spirit of those two gentlemen I just mentioned, thank God the Rules Committee saw fit to bring this rule to the floor of this House.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. Hook] has expired.

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. Harlan].

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 5 minutes.

Mr. HARLAN. Mr. Speaker, just to get the Record clear, in the first place, there are no sugar refineries and prob-

ably no sugar beets grown in my district. I am here speaking to you as the representative of Mr. John Q. Public. [Applause.]

I am in favor of this rule because it is a question we have to decide, but, as I have stated before this body on different occasions, and as I desire to make my policy in this legislative body logical, I am here to oppose, when the time comes, our treatment of Hawaii. Our entire foreign trade policy has been one to promote trade and to encourage industry in the most economical way. In the pending bill we have turned around, completely reversed ourselves on our foreign-trade policy. We have started to treat Hawaii worse than foreign nations. We have started a new policy in government, and that is the policy of industrial quotas, something that we have never attempted in the United States. Agricultural quotas, yes, but never before in any bill that I have heard of have we attempted industrial quotas.

In my own State of Ohio, for example, the Frigidaire Corporation a few years ago manufactured more electric refrigerators than all the rest of them put together. Now, suppose we had then established an industrial quota and said, "We are going to freeze the industry here"; it would have almost raised a rebellion in this country. It would have been a throttle on the throat of progress. That is what we are doing here.

They talk about the difference in labor costs in Hawaii and in this country. That will be taken up later, I understand, but if it is true, there is not half the difference between the cost of labor on sugar in the United States and Hawaii as there is between the cost of mining coal in my State and the State of Alabama, yet we do not put industrial quotas on that business. We have not yet, at least. Because of a difference in labor costs, Southern States have taken the textile industry from New England, yet we never tried the vicious experiment of industrial quotas.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I cannot. I am sorry.

There are two manners in which governments have always operated colonies. One is the Roman system of exploitation, making the colonies serve to the profit of the mother country. The other is the policy generally adopted following our American Revolution, of building up the prosperity of colonies along with the prosperity of the mother country. There was some justification for England and Rome and the other ancient exploiting countries to adopt their policy of exploitation, because they conquered their colonies. They were subjected alien enemy races, but in this case of Hawaii we have a people over there who voluntarily came under our flag, just as the people of Ohio came and asked for admission into this Union. Now, we, this great United States, come and treat them far worse than we do the people in any other foreign country except Cuba.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I am sorry. I cannot. In my own State of Ohio there are some sugar refineries—not in my district. In those refineries today they are using Mexican labor. Now, any fool knows that that Mexican labor is not coming in here from the Mexican border unless there is some contract. They are coming here with an arrangement to work in Ohio, take jobs away from our Ohio workers, and we are permitting the refineries to take bread out of the mouths of our fellow citizen in Ohio. Then in their hypocrisy they appeal to us to "protect American labor." It is American dividends that have hired this lobby.

The gentleman a moment ago talked about the steps that we had taken to protect native Hawaiians in their parks. We have done the same thing for the Indians. We have done the same thing for the Eskimos. We have done the same thing in all similar cases.

If we adopt this bill we will reverse our entire history of colonial policy, our conception of justice from our pre-Revolutionary days; we will make our foreign-trade agreement policy a mockery; we will give the Sugar Trust one more

opportunity to exploit our people; and we will repay the patriotic support given us by the people of Hawaii with base ingratitude.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

All time has expired.

Mr. GREENWOOD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. LANZETTA) there were—ayes 115 and noes 9.

So the resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent that on Monday next after the disposition of the legislative program for the day I may be allowed to address the House for 30 minutes on the subject of wage and hour legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

(Mr. DIRKSEN, Mr. PHILLIPS, and Mr. MURDOCK of Arizona asked and were given permission to revise and extend their own remarks in the RECORD.)

SUGAR BILL OF 1937

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7667, the sugar bill of 1937, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the bill may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, in view of the great interest and demand on the part of those who are directly interested in this matter, I shall make but a brief opening statement and reserve the balance of my time.

Mr. Chairman, when this subject was first broached to me a little more than 2 years ago I was very reluctant to go into it. I have no sugar, either raw or refined, nor the product from which it is made, in the district I represent, nor is there any within hundreds of miles of my home. There are, however, a great many sugar-producing areas stretching halfway around the world that feed their product into the American market. Chaotic conditions came at times in such a way that there would be a runaway market, a glutted market with low prices, to be followed by a shortage and tremendously high prices. At one time in the early twenties sugar reached nearly 25 cents a pound retail.

In fashioning the first bill we undertook to protect the consumer. It worked so well that the price of retail sugar to the consumer during the 2½ or 3 years of its operation has been less than during any 4-year period within a score of years. We required as conditions to the entrance of sugar from the sugar-producing areas offshore that they should maintain a 6 months' reserve supply. We required other conditions as to contracts between the refiners and the growers as to conditions in the areas that have produced a stabilized market. I do not think any Member has heard any complaint on the part of any of the American

people within the last 2½ years over the retail price of sugar, because they had had a better deal than during any like period within 25 years at least, and I do not believe that they ever had comparable prices. At the same time in the operation of the law the Secretary has been able to levy such conditions that the growers have gotten a better price for the beets and cane they produce.

To try to be umpire in all of these areas whose interests conflict and who naturally want all they can get of the market has been a most difficult task. I have spent a good deal of time and some of the other members of my committee have spent a good deal more time trying to work out the provisions of what they conceived to be a fair measure.

The bill under consideration establishes practically the quotas that were established under the original act with somewhat similar provisions refined by the lessons which experience always teach us. My primary purpose in helping to shape this legislation has been to see that the consumer was protected as well as to secure better treatment for the producers. I believe the same can be said of the entire committee. We have tried to see that the producer received treatment that would be in his interest and yet not be against the interest of the consumer.

I believe that with all of the differences of opinion that have existed among the various groups as well as to some extent in our committee, we worked out a fair bill, one on which there was almost unity of opinion, after hearing a good deal of evidence, after the subcommittee had done a tremendous amount of work, and after the full committee had gone thoroughly over it—a bill in which there is practically no division of opinion except on one issue, the details of which I hope to discuss at a little later time under the 5-minute rule; and that is a provision having to do with restriction on direct-consumption sugar coming in from Hawaii and Puerto Rico within their quota. There is no appreciable complaint as to the amount of raw sugar which they bring in. Under the terms of the bill we have stipulated that there shall be a limit on the amount of refined sugar which may be brought in from those islands within their quota. That limit has been the highest amount of refined sugar which those islands brought in during any one year prior to the time of the passage of the original act. On this proposition there is much difference of opinion, as you all know, but we shall have a full discussion of that. At the proper time I shall offer an amendment to strike out paragraphs (a) and (b) of section 207. I believe those who are interested in securing actual legislation, if they are wise, will adopt the amendment.

The departments and the administration are very much opposed to any limitation, taking the position that there should be like treatment among all groups of American citizens, and that there should be no discrimination against any group of citizens anywhere under the American flag.

We did make this particular change in the quotas: We increased the quota for the cane-sugar areas. I think they made out a case and are entitled to an increase, and I think the committee has arranged probably a fair basis for that provision.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. MANSFIELD. How do the quotas compare with existing law, the Jones-Costigan Act?

Mr. JONES. There has been very little change in the quotas, except an increased quota for the cane-sugar areas and a slight adjustment in area to make provision for it, and I think that will be more than cared for by the increased consumption; so there is not any appreciable change in quotas outside of the one I have mentioned.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. WILCOX. The gentleman has just stated that there was an increase in quotas allowed to the cane-producing areas of the continental United States. It, of course, applies to the States of Louisiana and Florida. There are not separate quotas for each of those States, as I understand it.

Mr. JONES. That is correct.

Mr. WILCOX. The two are combined under one quota.

Mr. JONES. That is correct. May I say to the gentleman we have sugar that comes into this country from the Philippines, Hawaii, Guam, the Virgin Islands, Puerto Rico, Cuba, and some South American and other countries. The eastern and western sugar growers, Florida and Louisiana cane growers also produce sugar, and it has been a very difficult task to apportion it by regions. It has seemed very difficult to go into the question of adjusting this legislation as between States, and we did not regard that as practicable. I do state, however, that we made additional provision for the cane areas, because we thought, after going over it, that there was reason for this distinction. I may say to the gentleman I think his State is entitled to an increase.

Mr. WILCOX. I thank the gentleman very much for that statement. The bill makes no effort to establish a formula by which the cane-area quota may be allocated as between the two States?

Mr. JONES. That is correct. The present law makes no effort to do that. It is left to the administrative authorities.

Mr. WILCOX. Can the gentleman inform the House as to what formula will be used in making the allocation?

Mr. JONES. The formula set out in the bill. They take the historic production and consider that in connection with the ability to fill their quotas. They take into consideration the market facilities and several things, which are set out in the bill. All of these we will go into later.

Mr. WILCOX. I do not want to consume too much of the gentleman's time, but may I call attention to the fact that using a historic basis for an allocation would completely prevent the development of an efficient and profitable industry.

Mr. JONES. My time is so taken up that I hope the gentleman will discuss that in his time. I may say, in my judgment, the gentleman's area is entitled to more than the historical basis. Florida should have probably a minimum of, say, 75,000 tons if that much is needed. That is my judgment, but the gentleman will have to convince the administrative authorities. You see Louisiana is also to be considered, and the Department has the delicate task of adjusting all of these matters—a most difficult assignment.

Mr. WILCOX. I wonder if the gentleman would feel like saying at this time he would support Florida in offering an amendment which would obtain a minimum of 75,000 tons?

Mr. JONES. I shall be glad to say as much to the Department. I do not think those things should be put into the bill, though.

Mr. LANZETTA. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. LANZETTA. Is it not a fact that the cane-sugar quota from Puerto Rico has been reduced 34,000 tons?

Mr. JONES. It was not reduced in the quota. It was reduced that much below what they actually used. You understand the excess consumption gave them more than their quota before. There was some slight reduction, however.

Mr. Chairman, I reserve the balance of my time.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I shall not try to go into details, so far as this bill is concerned, but will refer to some of the more important provisions in it.

As has been pointed out by the distinguished chairman of the Committee on Agriculture, there are many sugar-producing countries in the world; but, as I conceive the picture, after 18 years of actual experience in the industry agriculturally, and in the financing, building, and operating plants, and in marketing sugar, there are three primary producing areas in the world, so far as I am concerned. One is the sugar-beet area of Europe. Another is the far eastern sugarcane area, which covers Formosa, Java, Philippine Islands, the Indies along in here [indicating on map], and a small amount in Australia. Another producing area is Cuba, Puerto Rico, the United States continental beet- and cane-sugar districts, and a small amount in South America.

There also enters into the conflict the sugar produced in the Philippine Islands, which moves six or seven thousand miles in order to reach the Pacific coast. Twenty-two hundred miles off the Pacific coast lies Hawaii, an organized Territory, as I understand, and subject to statehood.

This bill provides that there may be imported into this country from Cuba in the form of refined sugar to the United States, according to page 6 of the committee report, 375,000 tons of refined sugar; from Puerto Rico, 126,000 tons; from Hawaii, 29,616 tons; and from the Philippine Islands, which is involved in the Philippine Independence Act, 80,214 tons.

There is one point that may not be covered here which I want to touch on lightly and very briefly. That is the question of marketing. Let us suppose you were sales agent of the Hawaiian Sugar Planters' Association California refinery and there comes into that west coast territory refined sugar produced in Cuba under a non-bone-char process, which means bargain-counter sugar. You have no bargain-counter sugar to hold your trade on the Pacific coast. You can rest assured that insofar as the bargain-counter sugar that flows into that area from Cuba is concerned, you will be driven out of the Pacific coast market. The gallery is full of sugar men who are experienced in the marketing of sugar, and I defy them to pass the word along to you to refute that statement before this debate expires.

I speak as one who has sat there at the telephone day in and day out, month in and month out, and year in and year out, handling the long-distance telephone calls just as fast as they could come in in a fast-moving commodity market, slow markets, and what we call a runaway market. I know what it means to have competitive goods to offer in a competitive market. That question is involved in this bill and I cannot cover it in detail in 10 minutes. Other people have just as much right to talk on the bill as I have. It is something you will have to figure out as best you can as the debate progresses.

Mr. Chairman, I intend to support this bill. If the President vetoes the bill by reason of our not eliminating subsections (a) and (b) of section 207, page 14 of the bill, then I will have to go home and say to the sugar-beet growers of my district: "Well, I stood for the bill, but you have not any legislation." So as a Representative from my district I am on the spot.

I think my district grows beets for more sugar-beet mills than any other district in the United States, so far as I have been able to learn—not more beets, not more sugar, but for more sugar-beet mills. So I am interested in this bill. If we pass the bill and the President does veto it and the question comes back to the House and Senate in time to override the veto, if we override the veto before adjournment, then we will have legislation. Otherwise, the beet grower loses by reason of our poor judgment and legislative folly. So those things enter into it.

At the meeting that was held this morning I addressed a question to Senator ADAMS, who has been in very close touch with the President on this matter. He informed me the President specifically objects to subsections (a) and (b) of section 207 on page 14 of the bill. So, in a way, that is the situation. I cannot figure out to save my life how the Committee on Agriculture has had enough patience to deal with this question as it has during the months the bill has been under consideration and bring to the floor a bill as good as this.

I wish all parties were harmonized on the situation, but they are not, and that is the situation which we face. There is one redeeming feature, as I see it, and I wish my friend the Delegate from Hawaii [Mr. KING] could see it this way. So far as I know, for the first time in American sugar history the refiners of the United States are down here asking for protection for the sugar industry. To my certain knowledge for 18 years I have battled with them across the table in an attempt to provide protection for the beet-sugar and the cane-sugar industry of continental United States, including Puerto Rico and Hawaii, and they were always

standing for free trade on sugar. If you were a refiner you would very well understand why they do this, because as a refiner you want raw sugar, sugar in process, sugar in the bag, sugar in transit, and sugar in the warehouses at as low a cost as you can get it.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kansas.

Mr. HOPE. Is not the reason the refiners are down here in agreement with the producers of sugar that they want to hitchhike on the producers' bill? They are trying to get a free ride out of a bill which was originally designed to protect the producer.

Mr. CRAWFORD. The answer to the gentleman's question is that you have in this bill a refined-sugar question, not a question that has to do with imported raw sugars. You are dealing with a refined-sugar question in subsections (a) and (b) of section 207, which have to do with refined sugar. These paragraphs have to do with 29,616 tons of refined sugar from Hawaii and 126,000 tons from Puerto Rico. Naturally, the refiners are interested in that. The refiners employ American labor, and so do the beet people. Therefore, I hope we will get out of this situation a marriage forever and eternally between the seacoast refiners, the beet industry of this country, and the other producers under the American flag to the end that hereafter when a sugar bill comes up here and there is a real tariff fight on the floor, the cane refiners will come here and plead for the protection of the raw product as they now plead for the protection of refined sugar.

Mr. CARTER. Mr. Chairman, will the gentleman yield for a brief question?

Mr. CRAWFORD. Let me finish this thought, and then I will yield.

If I could convince my friend the Delegate from Hawaii [Mr. KING] that this would be the result of this measure, namely, that the refiners and the producers of Puerto Rico and Hawaii, and the beet growers, will forever after be tied up together in fighting for the protection of domestic sugar, he might see that this kind of a combination would be worth more to him than what he is asking here. However, there is no way I can guarantee that the refiners would do that, and neither can you.

I now yield to the gentleman from California.

Mr. CARTER. In reference to subsections (a) and (b) of section 207, to which the gentleman has referred, I understand an amendment is to be offered striking these subsections from the bill.

Mr. CRAWFORD. It is my understanding that the chairman of the committee, the gentleman from Texas [Mr. JONES], will offer such an amendment.

Mr. CARTER. Would the gentleman care to express his attitude toward an amendment of this kind?

Mr. CRAWFORD. Here is the situation: Suppose the refiners' friends on the floor kill the bill in the event these sections are stricken out. Who can answer on that? I certainly could not. My beet people want sugar legislation. I think there are some people in the western territory who want sugar legislation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAWFORD. I yield for a question.

Mr. DONDERO. How do the amounts set forth in subsections (a) and (b) of section 207 compare with previous quotas from Hawaii and Puerto Rico? Are they more or less?

Mr. CRAWFORD. The difference is so small that I do not think I should take the time to answer the question. The question will be answered in debate, anyway.

Mr. DONDERO. Are the amounts larger or smaller than previous quotas?

Mr. CRAWFORD. I think a little bit less.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is the gentleman for the Jones amendment?

Mr. CRAWFORD. I may vote for the Jones amendment, but I am not sure I shall. Let us hear the debate and decide on presentations made. I may vote against the Jones amendment. This is a complicated situation, as the Members of this committee will testify. It is my understanding from beet growers they are not particularly concerned whether these sections go out of the bill or remain in. If by leaving them in the President will veto, why should we leave them there if the beet people are indifferent about the matter.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes; I yield.

Mr. MAVERICK. If the Jones amendment carries, there are still a great many other benefits in the bill?

Mr. CRAWFORD. A great many benefits, in my opinion. I expect to support the bill. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Chairman, I wish, first, to make my position perfectly clear regarding this controversy over refined sugar. I speak for the beet growers. I think possibly I am not misstating when I say I come as near speaking for them as any man in the West. I have lived there, owned farms there, and grown beets there for 30 years.

This controversy does not make one penny's difference to the growers of beets. We shall receive the same price for our beets during the life of this law whether the refining quotas of Hawaii and Puerto Rico are increased or not. The only brief I have for the refiners is not for the refiners as such but I think that any good American citizen has a brief for every man who has a job in the United States.

What is the real issue? Hawaii and Puerto Rico are allowed to produce just as much sugar under the refining quota in this bill as they were under the Jones-Costigan Act, and that is as much as they ever produced before. In 1933 we had a stabilization agreement. For 3 months after Congress adjourned I sat with our committee. We agreed on a stabilization agreement, because the sugar industry of the world was absolutely ruined. Raw sugar sold in New York for 60 cents. For the year 1933 it sold at an average of 80 cents, which meant absolute ruin for everybody in the industry.

Some of the people who are representing Hawaii and Puerto Rico tell you they do not want a sugar bill. Do you know what I think about that? I think it is a good thing the Lord is not enforcing one particular commandment today as he did in the days of Ananias. Do you get the point? Without sugar legislation the sugar industry of Hawaii, Puerto Rico, and the United States is absolutely ruined, because we go on the world market with a 90-percent protection tariff, and we had \$2 against Cuba and \$2.50 against the world in 1933.

Now, we just cannot grow sugar in competition with cheap colored labor in the Tropics, and any man who knows anything about sugar knows it, any more than you people in the East can produce shoes and steel and other manufactured products without tariff protection.

As I have said, it does not make a particle of difference to the beet growers, and it will not hurt any industry in Hawaii, and the question arises, Why do they want to refine this sugar? This is just as plain as the nose on your face. If you will examine the Government report which I have here and refer to the tables in that report, you will find that the average wages for labor in the sugar industry of Hawaii is \$10.80 a week. There is not any getting around that, because this is a Government report and I will give you the number of it. They want to refine the sugar there in order to make more money.

Now, what is the condition of the sugar industry in the United States and in Hawaii? In Hawaii, under the Jones-Costigan Act, there were 39 contracts. In the United States there 75,000 contracts.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I cannot yield now.

Those 39 contracts in Hawaii received payments of \$13,-332,862. The lowest payment in all of Hawaii was \$39,104, while the largest was \$1,022,038. There are five companies in Hawaii with the same secretary and the same treasurer, one man is president of four and vice president of the fifth, and these five companies received \$3,534,917 of benefits under that provision.

The industry in the two countries is absolutely different. I am going to offer for introduction in the RECORD a graph that shows that six families own and control every industry in the Island of Hawaii. They own the railroads, they own the banks, they own the sugar plantations, and when the bill was passed granting provisional independence to the Philippine Islands a provision was inserted whereby Hawaii was allowed to bring in all the labor they wanted from the Philippine Islands. The Delegate from Hawaii has introduced a bill to repeal this provision, but they did not repeal it until they had obtained all the advantages under it. There was a strike there last spring, but it did not particularly interfere with them, because they bring their labor from the Philippine Islands, and if they work 3 years they get their fare back, but they must work 1 year for the first man and then they can work where they please the next 2 years if the lords of Hawaii say they can do so.

As I have said, the conditions are absolutely different. They have told us about the labor conditions in Colorado. They say we employ labor from old Mexico.

On May 4 I sent a wire to the chairman of the Colorado Beet Growers Association, who is also a director of the national association, and I am going to read it to you so you will know I asked for the facts:

A. L. LITTLE,

Capitol Building, Denver, Colo.:

How many citizens of Old Mexico or any other foreign country are employed in our beet fields? Ask Governor Ammons to sign wire with you. Answer immediately.

FRED CUMMINGS, M. C.

Here is the reply under date of the 7th:

There are no exact data of citizenship of beet-field workers in our territories available. Best estimate of those most familiar is that 700 contracts will be worked in Colorado district, Great Western territory, by families of Mexican citizenship. This is one-eighth of total contracts. These family heads are all of long and legal residence in United States and many have children born to citizenship here. There are no nationals of other foreign countries engaged here. Estimate 2,100 contracts worked by United States citizens Spanish speaking and 2,800 by United States citizens of white race.

Gov. TELLER AMMONS,

Senator A. L. LITTLE,

President of Beet Growers' Association.

Now, please remember, there were only 39 contracts in all of Hawaii. The average farm growing beets in the United States is around 16 acres, while the average in Utah is about 6 acres. So that in the United States it is completely an American institution.

I do not want to work a hardship against anyone in the United States or anyone in the sugar business, but when you talk about people being discriminated against you must remember that Hawaii and Puerto Rico are allowed to produce all the sugar they can consume, and they are allowed to produce and sell on the world market as much as they please, but the amount they can ship to the United States is limited and the amount they can ship of refined sugar is limited, and it should be limited.

The beet growers, the last year before this limitation, produced 1,770,000 tons of sugar, and we submitted to a quota of 1,500,000 tons of sugar. Our sugar is a completed transaction when it leaves the factory. The growers haul the beets to the factory, and it comes out as refined sugar, and if there is anybody discriminated against, I would call your attention to the situation of Florida and Louisiana. Florida is not allowed to produce as much sugar as they consume, while Louisiana is allowed to produce a little more.

The entire beet-sugar industry of the United States is restricted. We could produce hundreds of thousands of tons more of sugar; but what would be the result if you threw down the bars and everybody produced all the sugar they could? You would have a ruined sugar market, and I tell my people this. While you may say it is un-American to put a restriction on continental production, yet you cannot get all that you want, and under this administration I am in favor of getting what you can, and I tell my people that if a man is growing 20 acres of beets and is restricted to 15 or 18 acres he is better off growing 15 or 18 acres at a profit than 20 acres and losing money.

These other people do not want to ruin the sugar industry. They are just talking through their hats.

I do not want to see the beet-sugar industry ruined, and, as I said in opening my remarks, it does not make a penny of difference to the growers of beets. We will get the same price for our beets.

I do say that the people that are operating the refining industry of the United States and have been for 150 years are entitled to the same protection that the beet growers are, and they are entitled to the same protection that we grant Hawaii and Puerto Rico, and we should say to them that they can produce just as many pounds of refined sugar as they have ever produced.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. JONES. Mr. Chairman, I yield 3 minutes more to the gentleman from Colorado.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. Yes.

Mr. KENNEY. Is there not a limitation on continental United States insofar as the sale of refined sugar is concerned? That is, continental United States cannot sell its refined sugar to Hawaii or Puerto Rico, and there is a natural restriction there, although there is no restriction in the bill, because of the difference in the cost, the cost of production being so much less in Puerto Rico.

Mr. CUMMINGS. And whenever you restrict the production of beets, which this quota does, it logically follows that you restrict the production of refined sugar, so that we are restricted in refining just as are Hawaii and Puerto Rico.

Mr. MAVERICK. And, if the so-called Jones amendments carry, would not there still be very many provisions in this bill that are desirable?

Mr. CUMMINGS. If these two provisions were cut out, it would not make a penny's difference to the beet growers of the United States; and I tell you that my only object is in protecting all the sugar industry of the United States and the 14,000 people who have jobs in connection with it.

Mr. MAVERICK. It will still be a good bill if they were cut out.

Mr. CUMMINGS. It would not be a good bill for the refiners. It would ruin the refiners, but it would take care of the beet growers.

Mr. KENNEY. If the refiners were ruined and the refining had to be done in the island Territories eventually—

Mr. CUMMINGS. And they would come back here and defend this law and say that there is nobody interested in sugar but the beet growers, and that they will take the tariff off that.

The cost of sugar is sometimes spoken of. It is cheaper in the United States than in any other country in the world. In Italy they pay over 15 cents. There is not a civilized country on earth that has as cheap sugar as we have in the United States. I say frankly that I do not want a high price for sugar, because I believe that the people who eat sugar are entitled to the same protection as the man that grows it. Let me give you the figures on the cost of sugar. In Germany it is \$13.66 a hundred; in Italy, \$21.80; in Poland, \$8.40; in Norway, \$7.19; in France, \$9.54; in the Netherlands, \$14.24; in Czechoslovakia, \$11.25; in the Irish Free State, \$7.72; and you can buy it in the United States today, right here in Washington, for \$4.80 a hundred—10 pounds for 48 cents. I shall later, perhaps under the 5-minute rule, call

attention to the cost of sugar as compared with other food products.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. Yes.

Mr. HEALEY. In answer to the gentleman from Texas [Mr. MAVERICK], if those two paragraphs were eliminated from the bill, it would in effect transfer the industry from continental United States to the insular possessions.

Mr. CUMMINGS. It would absolutely ruin the refining industry of the United States.

Mr. MAVERICK. It would not transfer all of it.

Mr. HEALEY. Practically all of it. It would take away jobs from American workmen.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I desire to ask one or two questions of the gentleman from Illinois [Mr. LUCAS], who is the author of one of the important amendments now a part of this bill as it comes to the floor. I wish to inquire about the proposed excise tax imposed on waste inedible molasses when used in the manufacture of industrial alcohol, a vital chemical raw material. May I ask how this tax would work out? Is it the same tax practically as on sugar itself?

Mr. LUCAS. That is correct. In other words, blackstrap molasses is coming in from the tropical countries without any importation tax, and it is also being manufactured without a manufacturers' tax for the distillation of alcohol.

Mr. ANDREWS. Would it not result in an increased cost to both direct and indirect consumers of products in which industrial alcohol is used? I urge that you look into the statistics and check the actual facts in the matter.

Mr. LUCAS. There is no doubt but what there will be an increased cost to the consumers, but at the same time we in Illinois and in the Corn Belt districts of this country believe it is a beneficial movement toward aiding the basic industry of America, and that is the true reason for the placing of this amendment into the bill.

Mr. ANDREWS. Does not the gentleman believe that this will dislocate a very vital American industry, and result in the loss of a valuable market for waste blackstrap molasses which would react against the very sugar producers the Jones bill seeks to aid?

Mr. LUCAS. No. We always hear about a dislocation of industry in every bill that is brought to the House where industry is involved, but I find that industry gets along about as well as the farmers in my section of the country, in fact, a little bit better. These industries will not stop but they may be compelled to become more interested in the use of corn in place of a foreign product.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. LANZETTA. Is it not a fact that the grain producers do not stand to benefit one iota from the tax on blackstrap molasses and that the only ones to benefit will be the producers of synthetic alcohol?

Mr. LUCAS. No. The gentleman is mistaken. True, it will come into competition with the producers of synthetic alcohol, but synthetic alcohol can never take the place of grain alcohol made from corn. This amendment will place the American corn producer upon a near parity with the blackstrap producer who lives beyond the confines of continental United States. Who in this legislative hall can honestly challenge that premise?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JONES. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to speak out of order on another agricultural matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Chairman, during generations the great State of Iowa has been recognized as the greatest corn-producing area on this earth. Strangely, in a rash moment

last week, the State of Wisconsin challenged Iowa's supremacy. Wisconsin's Governor, Philip La Follette, with pomp and ceremony, went to our State capital to measure corn with Iowa. He carried with him the tallest cornstalk in the Badger State. Iowa's great Governor, Nelson G. Kraschel, neighborly and good-naturedly, condescended to the contest. He hurriedly sent out a messenger to fetch the first cornstalk he came to, remarking to Governor La Follette that if the Iowa cornstalk was not 2 feet taller than Wisconsin's best he would consider Wisconsin the winner. The Wisconsin cornstalk measured 13 feet 1 3/8 inches. The messenger arrived with a stalk from one of the poorer Iowa fields. It measured 16 feet 5 1/8 inches. Like a good sportsman, Governor La Follette said, "You have us backed off the map when it comes to raising corn."

I wish to enter this story in the RECORD so that henceforth no such States as Illinois, Missouri, Nebraska, or Minnesota will ever challenge the agricultural supremacy of Iowa, the State "where the tall corn grows."

In order that Iowa's supremacy may be known to all other States' Representatives, Mr. Chairman, I ask unanimous consent to insert at this point a statement of a small part of the many fields in which my great State excels.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The statement is as follows:

Although Iowa ranks sixteenth in population and twenty-third in area of land, she ranks—

In value of corn, oats, horses, hogs, poultry.....	First
In value of farm lands and buildings.....	First
In combined value of livestock.....	First
In total value of farm property.....	First
In farm land improved (95.6 percent).....	First
In value of farm machinery.....	First

Twenty-five percent of all grade 1 farm land of the United States is within the State of Iowa. Seventy-five percent of all grade 1 farm land of the United States is within 250 miles of the center of Iowa.

The farms of five Iowa counties (Sioux, Crawford, Shelby, Kossuth, and Plymouth) exceed in value the farms of either Massachusetts, Vermont, New Hampshire, Wyoming, New Mexico, or Utah.

The farms of 10 Iowa counties (Cedar, Clinton, Crawford, Jasper, Kossuth, Marshall, Polk, Plymouth, Shelby, and Sioux) exceed in value the farms in any one of the States of South Carolina, Maryland, Florida, Idaho, Maine, New Hampshire, Delaware, New Mexico, or Utah.

One-tenth of all the food products in the United States comes from the State of Iowa.

Iowa's grain products for 1935 totaled 617,500,000 bushels. This amount divided by Iowa's number of square miles—55,586—gives an average of 11,100 bushels per square mile. No other State begins to equal these figures.

The per-capita wealth for Iowa is \$4,322. The per-capita wealth for the remainder of the United States is \$2,685.

The value of the farm products produced in Iowa in 1 year is greater than all the gold that has been produced in Alaska in the 58 years since the United States purchased Alaska.

(Authority U. S. Census and National Industrial Conference Board.)

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MASON. I do not believe the State of Illinois will ever challenge Iowa on the stories they put out, but we can easily challenge Iowa on the tallness of our corn. [Laughter.]

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. MARTIN of Colorado. I want to know if the Governor of Wisconsin carefully examined the structure of that cornstalk to see what made it that way?

Mr. BIERMANN. I have no idea.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. BOILEAU. Would the gentleman be interested in going into a contest with reference to cheese instead of corn?

Mr. BIERMANN. I will have to think that over.

Mr. MANSFIELD. Did that cornstalk have any corn on it?

Mr. BIERMANN. I think it had three or four ears.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, I want to speak for a moment for the consumers of the country. We have heard the farmer and the processor taken care of, but in this legislation we are going to add half a cent a pound to the cost of sugar, and that half a cent a pound must come out of the consumer. I think the consumer should be considered just for a moment at this time. In the United States we cut down on the amount of sugar we can produce. We cannot produce enough sugar in the United States for our needs. I maintain that we should be allowed to produce the sugar that we want to, so long as we cannot produce enough for our consumption.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. HARLAN. I am asking for information. This bill is simply a continuance, from a taxing viewpoint, of the Jones-Costigan present bill, is it not? That is, the one-half cent the gentleman speaks of is in the present law.

Mr. LORD. Yes; but that will expire soon.

Mr. HARLAN. Under the present law we have cheaper sugar now than we have had for years with that half cent added, have we not?

Mr. LORD. It would be that much cheaper if we did not have that tax.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. CRAWFORD. That statement will not hold water, because in 1932 we had refined sugar selling around \$3.25 to \$3.40 as against today's prices. If the gentleman will permit, I might point out that was under a \$2 duty on sugar coming from Cuba as against a 90-cent duty today.

Mr. LORD. I thank the gentleman for the information.

Mr. Chairman, we have cut down somewhat the allowance from Hawaii. We have cut down somewhat the allowance from Puerto Rico. In addition to that we are providing that they can only ship into the country sugar in its raw form. They are a part of the United States, and, as others have contended here today, they should be allowed to ship refined if they please. If we should say that California must ship all of their sugar to New York City to have it refined, we would think that was rather drastic legislation. If we would say that Florida must ship all their sugar to Michigan to have it refined, we would think that was drastic legislation. That is exactly what we are doing with Hawaii and Puerto Rico. On that account I cannot agree with the legislation. I hope it will be stricken from the bill when it comes up for passage.

As we go on with sugar we will probably have some more amendments offered. We have heard it stated that we should have this refining in the United States so we would make that labor. What about the labor we would have if we raised all the sugar we can here? I was speaking with a Representative from Florida recently, and he tells me they could employ 30,000 more people in Florida if they could produce as much cane as they would like to produce. This would give labor to the American people. Of course, it would take it away from Cuba, but what about Cuba? We gave Cuba a greater quota of sugar than they can produce with their own labor. We cut down the amount of sugar that Puerto Rico can produce and then Cuba has to send to Puerto Rico to get labor to raise their sugar. This is the way this all works out. We are working against ourselves. The sugar factories in Michigan are not running because they do not get their quota of beets.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. GREEN. I am rather in accord with the gentleman's remarks. I cannot understand how the Congress of the United States can go on record as depriving American farmers of producing a product where we only produce 25 or 30 percent of what is consumed in our country. When we allot that to Cuba as against Florida, then we are giving Cuba a preference over Florida.

The CHAIRMAN. The time of the gentleman from New York [Mr. LORD] has expired.

Mr. HOPE. I yield the gentleman from New York 2 additional minutes, Mr. Chairman.

Mr. LORD. Then we are giving preference to Cuba, a foreign country, and not to our own Florida unemployed American citizens. It is bad government and unusually dangerous, because in case of war our sugar-beet producers in the United States will be operating under a greatly reduced capacity, and we will find ourselves the victims of foreign sugar producers.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. DOWELL. Is it not true, I ask the gentleman from Florida, that the Government paid individuals in the United States for not producing last year and the year before, at the very time when we were allowing foreign sugar to come into this country?

Mr. GREEN. Yes. We do not want any subsidy in Florida if they will let us increase our cane production.

Mr. DOWELL. Why should we restrict production in the United States when we do not produce one-third of the amount consumed in the United States?

Mr. GREEN. It is obviously an unwise policy to restrict production in our country when we make so much less than we actually consume, even in peacetime.

Mr. DOWELL. Why should we not adopt the policy that would permit increased production in the United States in order that our domestic producers may supply the needs of the United States?

Mr. LORD. Mr. Chairman, I am sorry, but I cannot yield further. Much has been said about this quota for Cuba. It is, of course, a subject I should hardly speak of, I suppose, but a few years ago some gentlemen from my own State, when sugar was 20 or 28 cents a pound—they might be classed as economic royalists by some—got mixed up in the Cuban sugar industry and they seemed to get a little advantage in the quota, a little more than some believed they should have. I want to help the gentlemen from Florida and Louisiana, and the beet men, to get a greater quota of the United States market. I believe that we should really employ American labor, that we should raise all the sugar beets we need, buying only what is necessary to make up the difference between our needs and our consumption from Cuba, or others having them to sell, and not assess the American housewife one-half cent a pound to help out the Cuban investors from New York City.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 8 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, this bill is just a fair sample of what we are going to have presented to us in the regulation of agriculture when the bill comes in next winter from the Committee on Agriculture to establish the ever-normal granary policy and the other things that will probably be tied in. You can expect an enlarged edition of the sugar-control bill.

The world has changed materially and entirely since I went to the West a little more than half a century ago. The independent farmer who could plant his field to sugar beets, corn, wheat, or grass is a man of the past. We are in a day of regulation. I speak particularly for the beet-sugar growers, as well as the consumers. We are interested in a reasonable price for sugar beets, as well as in the price of sugar. Clearly, as explained by our colleague the gentleman from Colorado, this regulation has given us a comparatively cheap sugar, and it has given us a good price for sugar beets. I

grew sugar beets once in quantity and sold them for around \$4 a ton. They are worth almost double that now to the grower.

The sugar-beet business is just returning to Oregon. Our sugar factory at La Grande, Oreg., was dismantled long years ago. A new sugar factory is soon to be built on the Owyhee irrigation project. Many acres are now planted to sugar beets in Malheur County with more contemplated for next year.

Mr. Chairman, I believe that we must take care of our own people in the continental United States. I am going to vote for this bill, preferably with sections (a) and (b), on page 14, retained in the bill, just as the bill came from the committee. That is my idea of what the bill should be. The only effect on Puerto Rico and Hawaii is in the amount of refined sugar that these islands can ship into the continental United States. These sections, on page 14, (a) and (b) are in the interests of the sugar refiners of the United States. I prefer to leave those sections in the bill, because they affect men working in factories. These are our own people; they are spending their own hard-earned money, buying our own farm products, articles of food that we have to sell. I believe in protecting them.

If these sections go out of the bill, I am told that the ultimate effect will be that refining will go to the islands, Hawaii, and Puerto Rico, where it can be done cheaper than in the United States.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. MANSFIELD. Is it not a fact that this will be a great discrimination against labor in this country?

Mr. PIERCE. I think so. At the present moment we should be thinking about our own factories. I think these sections should remain in the bill. I deeply regret that our President saw fit to make the statement he did to the chairman of our committee yesterday. I wish that he could be brought to see the light. I have nothing against the Hawaiian Islands, but I do know that the sugar business of the islands is practically run by a monopoly. I think there are really only five firms over there.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. McCORMACK. There are five firms with interlocking directorates which practically control Hawaii. There is an economic oligarchy over there that ought to be investigated.

Mr. PIERCE. It seems to me if our President could realize that and could be shown the truth, he would sign the bill, as I hope we may pass it. I am going to vote for it either way. I think our new sugar-beet industry in the Malheur country of Oregon will fare equally well with it out or with it in; but I think the whole country will be better off if we leave those two sections in.

Mr. HARLAN. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Ohio.

Mr. HARLAN. The gentleman does not feel any worse against an organization of five families in Hawaii than he does against the United States Sugar Trust that has been controlling the whole business in this country for a good many years, which trust will be the primary beneficiary under this bill?

Mr. PIERCE. I do not think it will be the primary beneficiary. I think the whole country will be much better off. There is no question but what we should extend the growing of sugar beets in this country.

Mr. McCORMACK. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Bearing upon the question of labor, I know that the refineries in Massachusetts—and there are two—pay their help from 65 cents an hour to \$1.05 an hour. They were paying them 58 cents an hour until recently.

The women are getting 45 cents an hour. Until recently they were getting 40 cents an hour. Then they get a bonus in addition to that. They have to compete against labor that is paid from 60 cents to \$2 a day.

Mr. PIERCE. That is what we have to face in this House. We cannot yield to the old free-trade ideas that my friend from Ohio has deeply set in his mind.

Mr. HARLAN. The gentleman is a little mistaken with reference to my free-trade ideas. I have never advocated that, although I have been in favor of our trade agreements. However, production costs are not exclusively labor costs. The Hawaiian producer has to import his fuel; he has to constantly use fertilizer. In fact, I think it is the most heavily fertilized sugar field so far as I know in the world. They have other costs. They buy material in this country which they ship out to Hawaii. That promotes industry in this country. It is exactly the same proposition that we have in promoting trade through our trade treaties. The things that we offer to Hawaii, the opportunity to manufacture simply comes back to us in the United States if we can sell to Hawaii fuel, fertilizer, all kinds of machinery, equipment, and everything else.

Mr. PIERCE. That is a beautiful dream, but it does not work out in practice.

Mr. HARLAN. It is the fact.

Mr. PIERCE. We have to take care of our own people. We have to look after our own labor. We have to look after our own men in Boston and other places who want to work. It is just a beautiful theory.

Mr. WHITE of Ohio. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Ohio.

Mr. WHITE of Ohio. A good many people claim these island possessions are our people and therefore entitled to the same consideration.

[Here the gavel fell.]

Mr. NELSON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. WHITE of Ohio. Will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Ohio.

Mr. WHITE of Ohio. Some of the people who are interested in this bill claim that the people of these island possessions are our people, and, therefore, should have the same consideration as our domestic growers. But I do not agree with that theory, and I want to ask the gentleman if it is true this difference is brought about by the wage and hour bill in that the provisions of that bill will not apply to those island laborers?

Mr. COFFEE of Nebraska. There seems to be a difference of opinion as to whether or not that bill will apply to Puerto Rico and Hawaii. I heard that discussed this morning. There are numerous exemptions in the Senate bill, and I have not had an opportunity yet to read the bill with the amendments made in the House Committee on Labor. However, the point to remember is that this sugar legislation is an attempt to do something to stabilize the domestic sugar industry, and no group or area has been favored. All have had to accept some restrictions or limitations.

Mr. WHITE of Ohio. That is right.

Mr. COFFEE of Nebraska. It has been necessary to provide quota restrictions to prevent the destruction of the domestic industry on account of the competition from off-shore, low-cost areas. Our continental sugar growers were going bankrupt because of the low prices of 1931, 1932, 1933, before the Jones-Costigan Act went into effect. Had that act not been passed by Congress you, perhaps, would not have any sugar beets or sugar cane growing in the United States today, and that industry would be lost to the continental United States. However, in legislating for the primary benefit of the people on the continent you have provided a stabilized market for the off-shore island possessions and Territories that has made it possible for Hawaii and Puerto Rico to obtain \$100,000,000 a year more for their product than they otherwise would have been able to obtain on the world market. The bill before you, in effect,

continues the general principles of the Jones-Costigan Act with its limitation on refined sugar from Hawaii and Puerto Rico.

The main controversy is with respect to lifting the refined restriction on these imports from Hawaii and Puerto Rico. Frankly, the committee has had this legislation under consideration for a good many months and has tried as best it could, motivated only by a desire to be fair and just to all concerned, to arrive at the best and most satisfactory measure that could be presented to the House.

Mr. WHITE of Ohio. The committee heard from people in the island possessions?

Mr. COFFEE of Nebraska. We heard representatives from all of them. We heard from the departments, and we tried to exercise our legislative function as an independent branch of this Government and bring in satisfactory legislation.

May I say that the demands of Florida and Louisiana were given sympathetic consideration? We tried as best we could to relieve the situation. We increased the quota to the Louisiana and Florida sugarcane areas from 260,000 tons to 420,000 tons. In doing so the other areas had to sacrifice some of their quotas.

Hawaii and Puerto Rico sacrificed some. You must remember that under the Tydings-McDuffie Act the Philippines are guaranteed a quota of 970,000 tons. You must also remember that under the reciprocal-trade agreement with Cuba concessions were made which we had to respect in this legislation. As a consequence, it was impossible to satisfy the legitimate demands for additional quotas.

Mr. WHITE of Ohio. Does the gentleman believe the reciprocal-trade treaty with Cuba acts to the detriment of our domestic sugar producers?

Mr. COFFEE of Nebraska. I would not say so as long as quotas are maintained. When the Jones-Costigan Act went into effect the tariff was reduced 50 cents per hundred-weight, which was replaced with a processing tax. Since the processing tax was declared unconstitutional we have been making a donation to Cuba of approximately 50 cents per 100 pounds on the imports of sugar from that country. This is one reason for passing the pending measure, for here we again put the 50-cent tax back and will collect the tax on the imports.

Let me at this point discuss an item which has not been covered up to this time. The estimated tax collections under this proposed legislation will be \$66,820,000 per year. The estimated payments to growers under title III of the bill, after deducting estimated reductions in payments to large growers provided for in section 304, will amount to approximately \$40,000,000.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. COFFEE of Nebraska. I yield to the gentleman from Texas.

Mr. MANSFIELD. Do not the payments go to the Puerto Rican and Hawaiian growers as well as to the domestic growers?

Mr. COFFEE of Nebraska. They do on a graduated scale. The payments are reduced in cases of large producers on a graduated scale as provided in the bill. This applies to mainland producers also.

Mr. MANSFIELD. Can the gentleman tell us about how much will go to Hawaii, in round numbers? Would it not be approximately \$12,000,000?

Mr. COFFEE of Nebraska. I have not the figures. The amount would be hard to estimate because of the graduated scale of payments.

Mr. MANSFIELD. It is from \$9,000,000 to \$12,000,000?

Mr. COFFEE of Nebraska. Approximately, I should say.

Mr. MANSFIELD. And about the same to Puerto Rico?

Mr. COFFEE of Nebraska. A little less. With respect to the Philippine tax, it is provided in the bill that this money will be returned to the Philippines. You, perhaps, wonder why this is provided in the bill. This payment will amount to some \$9,700,000. Under the Tydings-McDuffie Act we are

precluded from raising a tariff against any product from the Philippine Commonwealth. However, it is a close question whether or not this could be considered as a tariff. The committee made that concession to the State Department and War Department and included in the bill a provision to return the tax, the same as was done with the excise tax on copra and coconut oil a few years ago.

I may say that I fear the future of the domestic-sugar industry will be seriously threatened unless this sugar legislation is enacted. To safeguard this industry it is necessary for all the people interested, whether from the growers' standpoint or from the standpoint of beet labor or sugar-cane labor, or from the standpoint of the refiners or those working in the refineries, to stand shoulder to shoulder in trying to pass legislation which will safeguard the industry as a whole. If you cripple the refining industry in this country, we know that sooner or later the continental growers will find themselves in a like position. Unless we can have a combination of quotas and a tariff on sugar, the sugar growers of this country cannot feel very safe from the threat of competition from cheap tropical labor.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The gentleman has stated he is fearful that unless this measure is passed the sugar industry of this country will be destroyed. Is the gentleman's theory based on the fact there would be an increase in imports of sugar from Cuba?

Mr. COFFEE of Nebraska. Our quota provisions would fall. Unless we can maintain quotas on the imports of sugar, naturally the market will be flooded and the price will drop to a figure where it will be unprofitable for beet-sugar growers or cane-sugar growers to produce beets or cane on the continent.

Mr. ANDRESEN of Minnesota. This country would not be flooded with sugar from Puerto Rico or Hawaii but the sugar would come from Cuba.

Mr. COFFEE of Nebraska. The additional sugar would be from Cuba principally.

Mr. ANDRESEN of Minnesota. That is, because of the low duty of 90 cents, they would have an advantage and would ship sugar to this country?

Mr. COFFEE of Nebraska. Yes; Cuba, Puerto Rico, Hawaii, and the Philippines would suffer with the continental producers, because this sugar would come in in unlimited quantities and would help to demoralize the stabilized market in the United States they all enjoy. I urge the passage of this bill to safeguard the domestic sugar industry.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, sometimes things are concealed in a legislative bill which are not always apparent to the naked eye, and it becomes necessary to take out the slide rule and resort to a little arithmetic to see what that provision is. In this instance I refer to a subject matter I have discussed no end of times on this floor, namely, the subject of blackstrap molasses.

My colleague, the gentleman from Illinois [Mr. LUCAS], who is a member of the Committee on Agriculture, was successful in having written into this bill an amendment which very carefully defines liquid sugars, which would include blackstrap, and brings them within the purview of the taxing provisions of the bill. This amendment appears on page 26, and reads:

Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol, shall be considered manufactured sugar.

Section 402 of the bill imposes a tax on manufactured sugar manufactured in this country. Section 403 imposes an import compensation tax on manufactured sugar which comes into the country from the outside. The result is,

therefore, that blackstrap molasses, which is an aggregate byproduct of some 300 pounds per ton of refined sugar, and a very dark, sirupy substance, is included as manufactured sugar in the bill, and therefore is amenable to a compensating tax of a little more than one-half cent per pound of sugars.

I think the corn farmers of Illinois will be everlastingly grateful to my colleague from Illinois [Mr. LUCAS] for his diligent work in having this put into the bill, and therefore I want to supplement the things he has already done and the position he has taken by insisting that this bill should go a little bit further and increase the tax on blackstrap molasses that goes into the distillation of alcohol. Here is the arithmetic of the thing, implemented and corroborated by all that I have been able to pick up in the Department of Agriculture, the Alcohol Tax Unit, the Bureau of Internal Revenue, the Federal Alcohol Administration, and all other agencies.

Blackstrap molasses will run about 6 percent of sugar content. This is item no. 1. The Department of Agriculture tells me that it takes 6 gallons of blackstrap to produce the same amount of alcohol as a bushel of corn. This is item no. 2. It takes 12 pounds of blackstrap to make a gallon of blackstrap, and 6 times 12 pounds equals 72 pounds. So 72 pounds of molasses will displace 1 bushel of corn in the production of alcohol. If the sugar content is 6 percent, then 6 percent of 72 pounds is $4\frac{1}{2}$ pounds. So for taxable purposes $4\frac{1}{2}$ pounds of sugar content, taxed on the basis that is recited in this bill, will raise a tax of approximately $2\frac{1}{4}$ cents. So a tax is to be imposed of $2\frac{1}{4}$ cents on an equivalent quantity of molasses that displaces a bushel of corn in the commercial outlets of the country.

To show you what nonsense there is about all this, you cannot bring in a single bushel of corn from the Argentine unless you pay a duty of 25 cents under the Tariff Act of 1930. You can bring in 72 pounds of molasses and pay only $2\frac{1}{4}$ cents, and you can displace 1 bushel of corn grown out in the great Corn Belt. Is there any rhyme, reason, or sense about that kind of a set-up or arithmetic? And if we are going to give the corn farmer of this country a square deal it becomes necessary to raise the compensating import tax upon molasses that will be used in the distillation of alcohol.

How serious is this thing? In 1910, 24,000,000 gallons of blackstrap molasses came in from the outside. In 1936, 235,000,000 gallons came in from the outside; 149,000,000 gallons of alcohol was produced in this country from molasses in the fiscal year 1936. This is nearly 76 percent of all alcohol produced in 1936, and only 7.04 percent of all the alcohol made in this country in 1936 was produced from grain that is grown in the United States.

You people who talk about nationalism, who talk about defending the continental interests of the country, what about all this blackstrap molasses, fabricated into alcohol, that is today usurping approximately 30,000,000 bushels of corn, in the industrial market, and I will defy anybody to refute this statement.

How serious is this insofar as the farmer is concerned? Here is a clipping from The Pekin Daily Times, my hometown paper, that came to my office this morning. It shows that the corn crop for this year is estimated at around 2,600,000,000 bushels. Where does it go? Most of it stays on the farm and is fed in the form of pork and beans. Ten percent, or approximately 300,000,000 bushels, goes into the manufacture of starch and alcohol and all the other products that are processed from corn. Thirty million bushels of corn displaced today by blackstrap molasses represents 10 percent of the corn farmers' industrial outlet for his crop.

I wonder what the automobile people would say if you took away 10 percent of their domestic market. They would squeal like a stuck pig, and so would anyone else.

Now, are you going to stand by and have 72 pounds of blackstrap come in from the outside and pay a compensating tax of $2\frac{1}{4}$ cents and displace a bushel of corn which, if

it came in in the form of corn, would have to pay 25 cents under the tariff act of 1930.

What happens to all this blackstrap? It is made into ethyl alcohol and into neutral spirits and then some of it goes into the gin you drink and it goes into whisky that you drink. I sneaked over to the corner the other day and got a bottle of gin, I think for 89 cents. I just soaked the labels off and here they are. I hate to mention names, but I do not see how we are going to fight this blackstrap lobby that has been operating in Washington for the last 7 or 8 years unless we drag the stark truth into the open:

Cavalier distilled dry gin, distilled by Continental Distilling Corporation, Philadelphia, Pa.

Here is the label on the back:

Distilled dry gin. Eighty-five proof. One pint. Distilled from 100-percent cane products.

That is the euphemistic way in which the Federal Alcohol Administration permits them to say that this gin was manufactured entirely from blackstrap that came from Cuba and the offshore places. They used two and a half million gallons of blackstrap on the seaboard last year for gin. One hundred and forty-nine million gallons of alcohol was made from blackstrap molasses. Twenty-four million gallons was tax paid, 18,000,000 gallons was dumped for rectification purposes, and, if you take out the small amount made from grain, the inevitable conclusion is that another 5,000,000 gallons of this blackstrap spirits were used in blended whisky or gin in the country. We have a very felicitous regulation down here under the tutelage of the Federal Alcohol Administration. It says that you can produce and label and sell whisky that is only 20-percent straight whisky made from corn and 80 percent of neutral spirits made from blackstrap molasses. When you buy a bottle of blended whisky at the liquor store, look at the bottle before you buy it and see what the legend is on the label, whether it is 20 percent of whisky made from domestic corn and perhaps 80 percent distilled from the stuff that comes from the islands in such great quantities. Are we going to stand by and see our corn farmers impaled as they have been with this kind of nonsense? Did we not go out in 1932 and 1933 and say, "O Mr. Farmer, if you will get busy and support repeal of the eighteenth amendment we will take you up on the mountain and show you all the kingdoms of the earth; if you will just support repeal, we will expand the agricultural market for you." Yes; and have we done it? After repeal we permitted blackstrap to come in, with a tax of one-fifth of 1 cent per gallon to usurp 30,000,000 bushels of industrial outlet of the corn farmers of the country.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield for a question?

Mr. DIRKSEN. Just a moment. One other thing, to show you how serious this is. This is not a selfish matter, because they are processing blackstrap molasses in the very heart of the Corn Belt—in Peoria. Here is a decision that came from the Interstate Commerce Commission. Relief was asked from this Commission under the fourth section of the Interstate Commerce Act so that they could get a fair rate on blackstrap molasses from Gulf ports to Peoria and Pekin, Ill., and in the findings, as a substantial part of that relief, the Solvents Corporation, in Peoria, Ill., stated in this application before the Interstate Commerce Commission that their average shipment of molasses into the very heart of the Corn Belt was 30,000,000 gallons a year. Are you going to stand for that sort of thing? Do you know what corn is doing today? Thirty days ago December futures of corn were 94 cents a bushel. Look at the newspaper tomorrow morning and you will see that December futures have gone down to 64 cents. Corn has dropped 30 cents a bushel in the last 30 days. That is

the reason the American Farm Bureau Federation and those interested in the corn farmer have been here before the committee and have been asking for farm legislation, because they saw this thing coming on. Are we going to stand by and talk about regimentation and control? Are we going to take some of the most fertile acres God ever put on this footstool out of cultivation and pay cash out of the Federal Treasury for doing it and then let blackstrap, 78½ percent of the total imports coming from Cuba, usurp the market of the American farmer to the extent of 30,000,000 bushels of corn?

Can you not see the sheer poppycock of such a thing that will let 72 pounds of blackstrap come in and pay a duty of 2¼ cents and then charge 25 cents a bushel before they can bring in a bushel of corn? I have distilleries operating in my town that are processing Argentine corn because of the short crop last year. For every bushel that goes through the still column they have to pay 25 cents a bushel in tariffs, yet in Philadelphia and along the Atlantic seaboard they can process blackstrap into beverage alcohol that you pour down your throat or into industrial alcohol of the kind that you rub on your ankle when you bump yourself against a rocking chair at night, or the kind that you put in your radiator to keep it from freezing in the wintertime, at only 2¼ cents for the equivalent amount. I say to you, is that fair to the corn farmer of the country? Is it not time we stripped the thing of all this hypocrisy and brought it into line. The thing to do is to change that compensating tax insofar as it applies to blackstrap, when used for distillation purposes and lay a charge of about 5½ cents per pound of sugars. That is the equivalent of 25 cents a bushel on corn. Is that not fair? Is that not fair to the corn farmer of the country? I am going to offer that amendment when the time comes, and it seems to me that everybody in the Corn Belt ought to support an amendment of that kind, because the farmers out there are going to have a surplus problem on their hands just as soon as they get to husking and strip the husks off the corn.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. MANSFIELD. Is it not a fact that this blackstrap that comes in is a byproduct of foreign refineries?

Mr. DIRKSEN. That is right. There is no question about that.

I just want to make this clear. We are not concerned about molasses that comes from Louisiana, from Colorado, and elsewhere. Our feed manufacturers will use from seventy to one hundred million gallons a year to mix with chopped alfalfa and dry feed. Our domestic production of blackstrap is probably around 10,000,000 gallons. It is not enough. I am not kicking about it coming in for feeding purposes, because it is not a substitute for but rather a supplement to the cattle feed that we produce.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. LUCAS. Members of the House should distinctly know that this amendment affecting blackstrap molasses does not affect the blackstrap that comes in for feeding purposes.

Mr. DIRKSEN. No; it does not. It does not apply to blackstrap that comes in for feeding purposes whatsoever.

Now, somebody said, "You will raise the price of commercial alcohol." Is it not fair if we put all distillers of the country on an even footing and make them start from scratch? Is that asking too much?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DONDERO. Can the gentleman inform the House about how much per gallon it will raise the price of com-

mercial alcohol that goes into the manufacture of medicine and other commodities?

Mr. DIRKSEN. In my judgment, it will be infinitesimal. I do not know exactly, but it would not amount to a great deal. There was a time before 1910 when there was not a gallon of alcohol made from blackstrap molasses. If we are going to have regimentation, if we are going to have control, if we are going to take 40,000,000 acres out of production and pay cash out of the Federal Treasury, does not consistency and common sense dictate that we utilize every portion of the American market before we venture too far afield in that direction? [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. NELSON. I yield the gentleman 2 additional minutes.

Mr. DONDERO. The manufacturers in my district are complaining bitterly over this Lucas amendment, claiming that the tax on alcohol will be raised from 3 to 7 cents a gallon. Can the gentleman inform the House whether or not he thinks that is correct?

Mr. DIRKSEN. Let us admit it does raise it that much. It simply puts everybody on the same level. The beverage distiller in the Corn Belt, the distiller on the seaboard, the distiller at New Orleans, the distiller in California, and the manufacturer of industrial alcohol will all use corn, all bought on the American market, so they start from scratch, without preferential treatment in favor of anybody. Is not that fair? Would it not be a good thing to give the American farmer a little encouragement, even though it will raise the price of industrial alcohol an infinitesimal amount? That is my answer to the gentleman.

Mr. LUCAS. Am I correct in my understanding that if the amendment in question is adopted it will practically eliminate all importation of blackstrap molasses from foreign countries?

Mr. DIRKSEN. I think it would and I think it should. Finally, it is fair. They sent in 33,000,000 bushels of corn from the Argentine in 1935, some of which was unloaded from the boat at Baltimore, and they paid 25 cents a bushel tariff. Are you going to allow this molasses to come in for 2½ cents, or approximately one-eleventh of what they charge on corn at the present time? That is the question. That is behind the amendment that I intend to offer.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. A man engaged in the feed business told me the other day he could buy corn from the Argentine and shipped in here, 15 cents a bushel cheaper than he can get it in America.

Mr. DIRKSEN. It has been consistently quoted in Gulf ports and as far north as Buffalo, 15 cents a bushel cheaper than the American price. Are we going to run out on the American farmer with a 2,600,000,000-bushel crop in the offing, or will we say to him, "We will give you a break. We will put a quietus upon this tremendous importation of competitive blackstrap which robs you of your outlet for 30,000,000 bushels of corn"? [Applause.]

One word more, Mr. Chairman, about raising prices of alcohol to help the farmer. Some years back we clipped 41 cents off of each gold dollar under the Warren theory in order to raise prices. We passed a Silver Purchase Act, under which we are buying silver today and against which we are issuing silver certificates in order to raise prices. We passed the National Industrial Recovery Act, which raised prices. We passed the Agricultural Adjustment Act to raise prices. We passed the Soil Conservation and Domestic Allotment Act to raise prices. In the light of this studied legislative effort to raise prices is it asking too much to demand this relief in the face of a perpendicular drop of 30 cents a bushel in the price of corn because it may raise prices a few cents on alcohol? Whatever rise in prices there might be it will uniformly apply to every industrial and beverage distiller in the land and gives preferential treatment to no one. To the farmer it

gives a 30,000,000-bushel industrial outlet that equals 10 percent of his entire industrial outlet now.

[Here the gavel fell.]

Mr. NELSON. Mr. Chairman, I yield 2 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, we should not enact any legislation which deals unjustly with any part of our country. If we leave in this bill the provision which prohibits Hawaii and Puerto Rico from refining the sugar they grow, we will have established as a permanent part of our legislative policy the principle that we can by law favor one part of our country at the expense of another.

I know a similar provision was contained in the Jones-Costigan Act. But it was put there largely as the result of the political influence of the eastern refiners. That was emergency legislation. This statute is in the nature of permanent legislation, and we should not commit this grave injustice to our Territories.

Great Britain long had the colonial policy of forcing her colonies to send their products to the mother country to be manufactured. That colonial policy was one of the causes of the American Revolution, and we adopted our Constitution principally because of our desire to eliminate for all time trade barriers between different parts of our country.

Questions as to labor and corporations have nothing to do with this legislation, and their introduction only serves to confuse the issues. Those questions can be handled on their own merits. But nothing justifies treating any part of our country as a foreign nation and discriminating against it for the benefit of another part.

We know it is cheaper to manufacture cotton in Alabama than it is in New England, but no one would suggest that we prohibit Alabama by law from spinning the cotton it grows in order that New England manufacturers might have a monopoly.

The Secretary of the Interior, who has charge of Territories, has taken a very clear and firm stand against such discrimination. I support his views heartily, and believe that it would be unjust and un-American to prevent sugar growers in our Territories from refining their own sugar.

I stand with the Secretary of the Interior and the Territories in this matter, and I think every Member who believes in fair play should do the same.

These questions should be handled solely on their own merits. Nothing justifies treating any part of the country as a foreign nation and discriminating against it for another part. We know it is cheaper to manufacture cotton in Alabama than it is in New England, but no one would suggest that we prohibit Alabama by law from spinning cotton that she grows, in order that the New England manufacturers could manufacture it. The Secretary of the Interior, who has charge of the Territories, has taken a very clear and firm stand against this discrimination. I support his views heartily and believe it would be unjust and un-American to prevent sugar growers in the Territories from manufacturing in the Territories.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a letter received today together with my reply thereto.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, under the terms of this bill, for which I expect to vote because I can get no better, a farmer gives his boy 40 acres of land. The boy wants to grow beets; he cannot do it unless someone in the Government or some department of the Government gives him permission by assigning to the father a quota. There is nothing to be gained by kicking about that now. We can take it and like it, and that is what I am doing, except I do not like it.

But there is something that goes a little farther than that. I am wondering whether or not, if the old man happened to have assigned to him a quota so that the boy could work on the home farm and grow beets, whether or not the boy is going to be permitted to work? Assuming that the boy is 25 or 30 years of age, married, and has a kid or two, will the boy be permitted to work? He probably will want to know, especially if he is married and has those children.

Why do I doubt it? Why do I ask that question? I will tell you why. I doubt it because of items such as appeared in this morning's Post. The gentleman from Texas [Mr. MAVERICK] had some pictures here one day of the Chicago riot. He had a part out of a series. Strange as it may seem, he showed us only a few. He did not show us the pictures which were taken by the photographer at Chicago which showed the inception of the riot, which showed the crowd surging down on the police, assaulting them with meathooks, stones, and clubs; no doubt he did not have them in his possession.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. VOORHIS. But the gentleman from Texas showed all the pictures that he could obtain that were submitted to the La Follette committee.

Mr. HOFFMAN. The gentleman says all that were submitted to the La Follette committee? Why did not the La Follette committee produce the whole record? Why just a part? Why only that part which it thought would reflect on the police? I will lend the gentleman, because I have it in my possession, a part of the testimony taken at the coroner's inquest of a photographer and his helper where they gave testimony under oath as to taking those pictures and what they had. One of them was subpoenaed as a witness before the La Follette committee. I am not accusing the gentleman from Texas of any bad faith at all, or of any lack of diligence. No doubt he was engaged in writing another book or preparing an historical lecture, or something of that kind, so I am not charging bad faith or anything of the kind.

Mr. DOCKWEILER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DOCKWEILER. It was my understanding that the rule provided that debate must be confined to the sugar bill. I would like to have some time to talk about the sugar bill, but I am unable to get it.

The CHAIRMAN. The rule does provide that debate shall be confined to the bill. The gentleman from Michigan will proceed in order.

Mr. HOFFMAN. And that is exactly what I am talking about, because I want to know whether the C. I. O. is going to compel the farmer's boy to pay a \$2 initiation fee and \$1 a month before he can go out into his own field or his dad's field and work. That is what I am trying to find out, and that is all I am trying to find out.

Getting down now to pictures, in this morning's Washington Post is the picture of a worker, Frank Dillon, who was beaten up by the C. I. O. The men in this factory wanted to work; they had their own union, but the C. I. O. fellows went into the room where they had barricaded themselves, beat them up, and sent this fellow to the hospital. Coercion? Intimidation? Violence? You join the C. I. O., the organization of the President's friend, Lewis, or you take a beating. Regimentation. Well, something more than that. That was in a Plymouth factory; that was in a factory where there was one of those signed Wagner contracts under collective bargaining, a contract with U. A. W. A. forced upon Chrysler by Governor Murphy.

That is one of the methods used by C. I. O. to obtain members.

How long are we going to stand it? I asked the majority leader the other day when I got the floor: How long are the gentlemen from the South going to stand this kind of conduct? Since that time the gentleman from Mississippi [Mr.

RANKIN] on this floor told in part what happened to one of the factories in his community; how, by the C. I. O., it was driven into bankruptcy. It is coming, this lawlessness, this intimidation, this coercion, this tribute collecting, to all of us; there is no question about it. I do not live in a great industrial district, just a little farming community, but we have a factory or two.

Here is a letter I received today. It appears that H. W. Kleeb was down there. He is one of the investigators for the National Labor Relations Board. Where did he go? He went there and stayed with the C. I. O. fellows, who dine him; he has his meals there with them; he is entertained by them; he is sympathetic with their views; he gets his information from C. I. O. leaders, and then he goes to the attorney for the independent union and tells him that the union is a company union and that all the fellows connected with it are biased and prejudiced—after he has been wined—wait! They do not drink down there—after he has been dined and entertained by the C. I. O. boys. Then he finds fault with the other fellows because they have organized that kind of union, about which he doubtless knows little and cares less.

Now, I say it is coming home to the farmer; it is coming to farm industry.

This factory in Detroit, the Plymouth branch of Chrysler, employs 11,000 men. Doubtless, tomorrow there will be more.

They have a contract in this factory and there have been thrown out of employment 11,000 men. Why? Because C. I. O. organizers beat workers, members of an independent union who will not desert the union of their choice and pay tribute to Lewis.

Yet we sit here and submit. How long, O Lord, how long will we refuse to protect the man who wishes to work?

Mr. Chairman, I have introduced two bills which would tend to remedy this disgraceful condition. Why can we not have a vote on those bills? One calls for the incorporation of unions, the placing of responsibility upon them; the other seeks to prohibit interstate transportation of strikers who would drive workers from their jobs. Why can we not give protection not only to the man who works in the factory but to the boy who works on the farm and the fellow who wants to grow beets, and to the men in the factories who want to make sugar?

I wish my friend the gentleman from Michigan [Mr. Hook], who believes as I do on this matter of the sit-down strike, would some day gather his fellow Democrats around him and put through a measure which will guarantee protection to those men who want to work, as those men want to work.

We hear a lot about these fellows going out from the National Labor Relations Board. Read their proceedings and note the questions they ask. They see only the things they want to see and hear only the things they want to hear. Then they come in and an attorney sent out by the N. L. R. B. asks leading and suggestive questions and he gets the evidence he wants.

I see my friend the distinguished lawyer from Illinois, the former judge advocate of the American Legion, the sometime, I hope, Senator from that State, smile. I do not blame him.

They intimate that these hearings are judicial hearings. Some refer to the investigating board as a court. God save the mark.

The gentlemen who go out are inquisitors; they are partisans; they have preconceived opinions and the so-called hearings which they hold would be ludicrous were it not for the tragic results. Their activities have put factories out of business, have driven industries from one place to another. Their actions indicate that they know little, if anything, about the subjects with which they are called upon to deal.

One of these investigating boards is what? I will tell you what it is. It is one of these judicial vending machines.

No, it is not a vending machine; it is a gambling machine. No, it is not a gambling machine, because there is no element of chance about it; because we know what is coming out, and about that there is little, if any, uncertainty. It is an automatic vending machine, peddling opinions, not judicial.

They send an investigator who gets the evidence. The attorney asks the questions and the examiner sits there and out pops a conviction against the man who is giving work to the men who have been employed in years gone by.

The gentleman from Montana [Mr. O'CONNELL] told you what a "scab" was (RECORD of July 8, p. 6957). He said these fellows who went back to the plant were "scabs." Let me tell you there were 34,619 of them at Republic Steel and every one had worked months previously, some of them for years, in those factories, yet they were "scabs" according to the definition of the gentleman from Montana. In my judgment, they were honest, law-abiding American citizens, who wished to exercise their right to work.

May I finish with this thought that I stressed a moment ago: Can we not sometime before this Congress is over consider legislation which prohibits men coming in from outside the States and paralyzing the industries of our communities? Is it not possible to consider such legislation? Is it not possible to require those who are drawing their millions from the pay checks of the workers to account for the money which they have received? Is it not possible to impose upon them some degree of responsibility for the havoc which they bring to the worker and the community, to the public at large?

That is all I ask, and I say God grant that we can get some legislation of that kind before it is too late.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. LUCAS. Mr. Chairman, I yield 5 minutes to the Delegate from Puerto Rico.

Mr. IGLESIAS. Mr. Chairman, it seems to me this great Nation should not consider treating citizens of one part of the United States differently from the citizens of other parts of the United States. This great Congress should not permit Puerto Rico to receive different treatment from any other State or section of the Union, especially when the legislation pertains entirely to business and nothing else. The human side of the problem concerning sugar has not been entirely incorporated in the bill. It does not involve actually the question of labor, the treatment of labor, and the conditions under which people work in the various areas in which sugar is produced.

May I say to my brothers in the great American Federation of Labor that this bill, it seems to me, has nothing to do with the relations between capital and labor. Labor had to organize to fight the barons and the exploiters of labor everywhere—in Puerto Rico, in Hawaii, as well as in every part of this great Union.

Much has been said about the commercial aspect of this bill and the benefits obtained from buying goods. May I say to the Members of the House that Puerto Rico spends over two-thirds of the money it receives from this industry in the United States. We buy from the farmers and from the industries in the United States goods to the extent of \$110,000,000 every year. So far as the Pan American nations are concerned, Puerto Rico ranks first in purchasing goods from the United States. There is only one exception and that is Canada. Puerto Rico, as I stated, is the largest buyer. Let us take rice, for instance. We buy more rice from Louisiana than any other country in the world. We also buy cotton, we buy meats, and we buy everything that is needed for the sustenance of the people of Puerto Rico.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. IGLESIAS. Mr. Chairman, I am sorry I cannot discuss this great question at length on behalf of the people of Puerto Rico. I understand well the position of the big

sugar people and the big cane-sugar producers of Louisiana and Florida. I also understand perfectly what is the intention of the big refinery corporations. As a matter of fact the provisions in this bill protecting the corporations so far as the refining of sugar is concerned are a very nice thing for them, but I do not believe the wage earners and workers in the industry will benefit unless they fight against the exploiters, and may I say the exploiters in the United States, in Puerto Rico, and in Hawaii all fall in the same class. As a matter of fact, it is a fight between groups of capitalists.

There are located in Puerto Rico 35 sugar factories and 3 or 4 of them, the biggest ones, belong to people in New York, Massachusetts, and other places in this country. The same is true perhaps of Hawaii. The result of this fight, I am afraid, will be the crushing of the masses of the people of Puerto Rico.

Mr. Chairman, I ask the Congress to be fair with Puerto Rico and treat us as a part of this Nation. We ask you to treat us as a part of this great family, without discrimination. Puerto Rico is willing to pay all of its obligations and we are anxious to enter into the family.

[Here the gavel fell.]

Mr. IGLESIAS. As a part of my remarks, I would like to incorporate two letters, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., July 13, 1937.

HON. SANTIAGO IGLESIAS,
House of Representatives, Washington, D. C.

DEAR MR. IGLESIAS: I will be pleased to speak to Marvin Jones and put in a good word for Puerto Rico relating to the importation of refined sugar into the United States from Puerto Rico, as you suggested in your letter dated June 25.

It has ever been our purpose and desire to help and assist Puerto Rico and the Puerto Rican people. I can clearly distinguish the difference between the treatment which should be accorded the people of Puerto Rico and favor of them and against Cuba and other countries not a part of the United States Government.

Be assured that I will do all I can to be helpful.

Sincerely yours,

WILLIAM GREEN,
President, American Federation of Labor.

SAN JUAN, P. R., August 1, 1937.

HON. SANTIAGO IGLESIAS,
Resident Commissioner, Puerto Rico,
Washington, D. C.

DEAR MR. COMMISSIONER: The American Legion, Department of Puerto Rico, representing 18,000 World War veterans, are definitely opposed to the discriminations contained in H. R. 7667, which so materially affects the economic condition of 1,800,000 American citizens in Puerto Rico.

This discrimination is in complete violation of all American policies toward the people of Puerto Rico and is against all basic American principles.

We sincerely hope such discriminations as this will be eliminated from all legislation affecting the people of Puerto Rico.

Very truly yours,

JUAN LASTRA CHARRIEZ,
Department Commander, the American Legion.

Mr. NELSON. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the bill under consideration carries in its title the words "to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry." This is one of the purposes of the bill. The main fight will come on the question of whether or not paragraphs (a) and (b) of section 207, appearing on page 14 of the bill, will be eliminated therefrom. Section (a) confines the refined sugar production of Hawaii to not more than 29,616 short tons, and of Puerto Rico to not more than 126,033 short tons.

We are not confronted here with a theoretical question; we are confronted with a very practical problem. If we were considering purely an academic question the arguments of the Delegate from Puerto Rico [Mr. IGLESIAS] and the Delegate from Hawaii [Mr. KING] would be worthy of some consideration, but when we look at this from the angle which presents itself to us, we cannot escape drawing the conclusion that we have been very, very fair to both Puerto Rico and Hawaii. It must be remembered that they are selling

sugar on the American market at nearly double the price they could get on the world market. The only reason they are able to sell their sugar on the American market at nearly double the price they could get for sugar on the world market is that we passed a quota law necessary because our domestic beet- and cane-sugar producers needed quota protection in order to obtain for them a fair return on the money they have invested.

Our producers cannot compete with the producers of Cuba, Puerto Rico, or Hawaii, for the costs of production of our producers are higher than the costs of production in these islands. True, the islands are a component part of the United States, but we must look at many problems from a practical angle as we have on many occasions. When we do, we must apply the rule of justice in a practical way, and we have done so in this case. The farmers of the United States must spend more money for their help than do the producers in Puerto Rico and Hawaii. They also have to pay more for their help than the producers of Cuba. The employees of our refineries receive substantially higher wages than the employees of the refineries of Cuba, and what few refineries there are in Hawaii and in Puerto Rico.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am pleased to yield to the gentleman from New York.

Mr. WADSWORTH. I understood the gentleman to state that Hawaii is a component part of the United States, but nevertheless continental United States must look after itself, or words to that effect.

Mr. McCORMACK. No; not look after itself. I said there are certain times when we must be practical and apply the rule of practical justice to the circumstances which confront us.

Mr. WADSWORTH. Am I stretching the gentleman's theory a little too far if I suggest that upon his theory the gentleman might be called upon some day to support a measure which would place a quota upon the production of cotton goods in South Carolina?

Mr. McCORMACK. I do not see the relationship of the gentleman's question to the matter under consideration today. The gentleman is entering the realm of pure speculation, which is a realm the gentleman from New York very, very seldom enters.

Mr. WADSWORTH. It is a very practical question I have posed to the gentleman.

Mr. McCORMACK. I do not see the relationship. The question is academic and speculative. I respect the fact the gentleman believes the question is practical if he asks it, but on this occasion I disagree with the gentleman.

Returning briefly to the bill, we must keep in mind that the commerce of the islands is in raw sugar, not refined sugar. We must keep in mind the fact that the American consumers pay a substantial sum in order that the quota law may be carried into operation.

It must also be kept in mind that we are dealing with a purely continental question. The consumers of sugar live in the United States. The people in Hawaii and Puerto Rico produce far more sugar than they consume. They consume very little—small in proportion to their production. It must be borne in mind that as a result of the quota law the people of Puerto Rico and Hawaii receive many millions of dollars—from \$30,000,000 to \$40,000,000 a year—more than they would receive if they were selling their sugar at the world market price.

Looking at it from a practical angle, realizing that this bill is necessary for the protection of our cane- and beet-sugar producers, it is only fair, reasonable, and proper that the refining activities of the sugar business and the interest of thousands of employees should be also protected.

We must also realize that the employees of the refineries of continental United States receive much higher wages than are paid in these islands, and by "islands" I also include Cuba. In Boston men are paid, so I am informed, from 65 cents per hour to \$1.05 per hour, with time and

one-half for overtime, and double time for Sundays and holidays. I understand women are paid about 45 cents an hour. Compare this with wages of from 60 cents to \$2 a day on the islands. Hours of labor are different than in the islands, employees in the islands being employed longer hours than here. To pass a bill without protecting the interests of the American refineries and their workers would be destructive and disastrous. I am fighting for the employees of the refineries of continental United States. I am fighting to preserve for them the happiness that they now possess. I am fighting for their rights. It must be borne in mind that the refined limits placed upon Puerto Rico and Hawaii constitutes the limit that these islands have ever refined. Under the bill each island is permitted to bring into the United States about 900,000 tons of sugar, of which, in the case of Hawaii, 29,616 tons is refined, and in the case of Puerto Rico, 126,033 tons is refined. We are giving to these islands the limit of production in raw sugar, the largest amount they ever produced, and the same in the case of refined sugar. Being confronted with a practical problem, we have treated them as fairly as they could possibly expect. We are freezing the production of raw sugar here and abroad, and we are justified, in order that the refineries of America and their workers might be protected, in freezing the amount of refined sugar of these islands. The producers of these islands are receiving millions of dollars more on the sale of their sugar here than they would receive if they were subjected to the world market price. They want that, but they do not want our continental refiners to be given practical consideration and protection.

They talk practical considerations in applying a quota on the production and sale of sugar, but when it comes to the refining of sugar they talk theory. They want everything. In this respect their position is not only weak but unfair. They charge discrimination. If the Jones amendment is adopted, the refiners and their workers will be the ones that will be discriminated against. Business and capital investment will be ultimately destroyed, and thousands of persons employed at the present time will be thrown out of work.

If the House accepts the proposed amendment, it will mean the ultimate destruction of this great industry which gives employment to about 16,000 persons at the present time in continental United States, and indirectly to many thousands of others. In my city, Boston, it will mean the destruction of a century-old industry with a pay roll well over \$2,000,000 a year and which spends \$2,000,000 annually for materials and supplies and pays local taxes of nearly \$500,000 a year. The sum total of wages, supplies, freight, advertising, and other expenses adds about \$38,000,000 per year to New England's purchasing power. The same applies to other sections of the country where refineries exist.

Mr. Chairman, I hope that when the amendment to strike out paragraphs (a) and (b) of section 207 is offered it will be defeated. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill is, of course, a continuation of the type of sugar legislation which was initiated when we passed the Jones-Costigan Act 3 years ago. There may be some differences of opinion regarding whether the quota system or the tariff system is the best method of protecting the American producer of sugar, but today we have no choice in that regard. We have before us only the question of accepting a bill which puts into effect the quota system.

The committee has worked for many months over this measure, and I am sure everyone here who is interested in the domestic-sugar industry is grateful to the chairman of the Committee on Agriculture for his patience and his efforts to help work out what is a very controversial question. Without his efforts, I feel sure we would not be considering this measure today. I am not in entire agreement with all its provisions. I expect to support some amendments which will be offered, but in general this bill does

afford protection to the producer of sugar in the United States and at the same time, I believe, adequately protects the consumer.

Theoretically, I am opposed to any restriction upon the production of sugar in the United States. For that reason I would prefer to approach this question from the standpoint of a tariff rather than of a quota system. As I see it, you cannot have a quota system without imposing domestic as well as foreign quotas. Under a tariff adequately protecting the industry, however, it would not be necessary to put any restrictions on domestic production.

However, as I said a few moments ago, we do not have that question before us today. It is a question of taking this bill or getting nothing.

Now, there are some controversial questions which the House must decide in the course of the consideration of this legislation, and as has been indicated by previous speakers, the most controversial of these matters is that of whether or not there shall be a limitation upon the quota of direct-consumption sugar from Hawaii and Puerto Rico. I have heard all the arguments on both sides of this question. I have learned them all by heart and can repeat them forwards or backwards and there is, of course, something to be said on both sides of the matter.

The able gentleman from Colorado [Mr. CUMMINGS] is undoubtedly the best informed Member of this House on the question of beet sugar. We all accord him that honor. He is entitled to the thanks of every producer of sugar beets in the United States for his effective and untiring work on this legislation. He said a while ago in the course of his remarks that it did not make a bit of difference to the producer of beets what position the House took on this question of removing quota restrictions upon direct-consumption sugar from these two areas, and I agree with him on that proposition.

May I say further what he did not say, that there is no community of interest today between the producers of sugar in this country, either cane or beet, and the refiners along the Atlantic coast. There is no community of interest today and there has never been any community of interest. As a matter of fact, up until the time of the original Jones-Costigan Act, the domestic refiners did everything they could to destroy the domestic beet industry. For 40 years they tried their best to put the beet producers of this country out of business. Not only did they oppose every effort to protect beet sugar by tariffs and other beneficial legislation but by the most unfair and misleading propaganda they built up a prejudice against beet sugar which exists to this day. As a result of that prejudice beet sugar sells on the market at a discount of 15 to 20 cents per hundred less than cane although its qualities and composition are identical. Yet in spite of that record they have the colossal nerve to ask the producers of beet sugar to assist them in getting legislation to which they are not entitled and which they could never get on its merits or rather lack of merits. They are today asking beet producers to support a provision in the bill which we all know will result in a veto and no legislation. In other words they are playing the beet producers for a bunch of suckers.

They are asking for what amounts to an embargo on refined sugar from one part of our Nation on the claim of unfair competition, when as a matter of fact they have never been able to even make out a case for tariff protection against foreign tropical countries.

Now, what are the facts in this connection? A great deal has been said here today about the difference in cost of refining between the tropical countries and the United States. A great deal has been said about the item of labor, as if that were involved in this question. Let us look at the facts insofar as labor is concerned. There are less than 14,000 men employed in the refining of cane sugar in this country and the average annual wage is a little over \$1,000 per year, according to the Bureau of the Census. If Hawaii and Puerto Rico were permitted to import into this country

in a refined state all the quota they are given under this bill, they would bring in 1,736,000 tons of refined sugar. At present they can bring in 155,000 tons so the net increase if all the quota were refined would be 1,581,000 tons. That is a decrease of approximately a third so in terms of labor this could not possibly mean the displacement of more than three or four thousand of the employees who are engaged in this industry today. This is the size of the labor problem involved.

There is no industry in this country in which a smaller proportion of the volume of business goes to labor than the business of sugar refining. In the hearings on this bill, at page 308, there was submitted a table compiled by Messrs. Weingarten & Co., of New York, a brokerage house in that city, compiled for the purpose of showing the varying impact of social-security taxes which would fall upon different classes of business and, of course, the class of business whose labor costs were the smallest would have the smallest burden to carry in that respect. In this table it is shown that only 3.8 percent of the volume of sugar goes to labor, while the percentage in other industries is much larger, for instance, in meat packing it is 6.8 percent, automobile manufacturing 10 percent, department stores 17.8 percent, and railroads 50.2 percent. So there is no industry in this country where the item of labor is of any less consequence than it is in the matter of sugar refining.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not at this time.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 5 additional minutes. Now, let us proceed to a discussion of the question as to whether tropical refining is cheaper than refining on the mainland. The facts that have been brought out at various hearings before the Tariff Commission very clearly show that the cost of refining in the Tropics is just as high as it is in this country.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. In just a moment.

When the Tariff Act of 1930 was under consideration, the very, very terrible Smoot-Hawley Act, as I have heard it called so many times on the other side of the aisle, the sugar refiners in this country were unable to make out a case before a Republican-controlled Ways and Means Committee of the House or a Republican-controlled Finance Committee of the Senate. They were unable to make out a case and show that the importation of refined sugar should have any greater protection than raw sugar.

In other words, the Commission found that the cost of refining in the Tropics, particularly in Cuba—and it is substantially the same in Hawaii and Puerto Rico—is practically the same as in this country. The refiners were not satisfied with that. In 1931 they went before the Republican-controlled Tariff Commission, a bipartisan commission it is true, under a Republican administration, and asked for an increase in the duty on refined sugar upon the ground that it costs more to refine sugar in this country than in the Tropics, and here is what the Tariff Commission found, as announced on July 11, 1932:

That the difference between domestic and foreign costs of refining is not such as to justify the Commission in specifying either an increase or a decrease in the rate of duty on refined sugar, or at least until after the Commission has finished the complete sugar investigation. Any change in the rate of duty which might result from the present refined sugar investigation would not be sufficient either to increase or decrease materially the imports of refined sugar from Cuba or the amount of labor employed in the domestic refineries.

The refiners were not satisfied with that decision, and in 1934 they again brought the matter up before the Tariff Commission operating under this administration, and asked for an increase in the rate on refined sugar. The Tariff Commission at that time held and reported to the President on January 22, 1934, that no change was warranted in the tariff differential as between raw and refined sugar.

Nothing appeared in the hearings, as I recall it, that in any way contradicted those findings of a great fact-finding body whose word is accepted as final on matters affecting the tariff. I yield to the gentleman from Texas.

Mr. MANSFIELD. Mr. Chairman, insofar as tariff protection is concerned, is it not a fact that Hawaii and Puerto Rico share in tariff benefits, if any, to the same extent as the continental producer?

Mr. HOPE. They do. They share in these tariff benefits because they are a part of the United States, and for that reason they are entitled to have the same consideration in this bill to which every other part of the United States is entitled. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LUCAS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, because my time is limited to 5 minutes, I ask that I be not called upon to yield. I have listened with a great deal of interest to my colleague on the committee, the gentleman from Kansas [Mr. HOPE], in his remarks on the floor this afternoon, and to his statement that under this bill Hawaii and Puerto Rico are discriminated against, they are not treated as citizens of the United States, under the same flag. The interesting feature that occurs to me is that apparently my colleague, despite his long attendance at the hearings before this committee, has overshot the mark, as have those others of the committee who may agree with him, in the statement that this bill constitutes unfair discriminatory restrictions against the two insular possessions.

The quotas provided in this bill lie with equal force on all continental United States and on the entire domestic area producing sugar. Efforts were made by the committee to listen to every side, and to bring about the fairest adjustment under a quota system possible, as the only efficient means of stabilizing and retaining a market strong enough to permit both the continental and the insular sugar producer to enjoy remunerative prices above the world market price for sugar.

It is an interesting commentary that the great States of New York and Texas were producing beets at one time, and Texas both beets and sugarcane, and it is interesting also to now find that under this bill they are not permitted to resume that activity, and then hear the claim that the bill discriminates against Hawaii and Puerto Rico to a greater extent than it does against the great States of this Union.

I shall not have time in the brief period assigned to me to go into a discussion of this bill, but I do ask the members of the committee who have shown enough interest to sit here throughout this debate to at least read the extension of my remarks in the RECORD tomorrow. There are two very pertinent questions to be considered by the House when it comes finally to vote on the proposed amendments to be offered to the bill which came out of the committee. As a member of a great legislative committee of the House, and on which I am proud to serve, I am fully cognizant of the deliberate, painstaking care with which the committee went into all of the questions raised with reference to the legislation, which, in my opinion, at least so far as my 10 years' experience goes, is the most controversial of any this body has been called upon to consider.

I find it passing strange that here at this late hour in the session, after the bill has been reported from the committee following literally months of hearings, during which time every possible angle was given consideration, that the departments of the administrative branch, who have raised this question now in opposition to the deliberate result of that committee's best efforts, have brought about a situation where now at the close of Congress, in a comparatively few moments, they put the issue squarely before us, only after a hard fight to even get the sugar bill before the Congress.

[Here the gavel fell.]

Mr. LUCAS. Mr. Chairman, I yield the gentleman from Texas 2 additional minutes.

Mr. KLEBERG. I stand before you now not only as a member of the legislative committee but a Member of the

body to which all of you belong and a part of the Government of the United States in its three great branches. We represent the legislative branch of this Government. All of the departments are coordinate and they have the united purpose of serving the people of the United States. But there is nothing I can find in the general picture which entitles us to have at least the feeling of having received proper consideration when, added to the fact that we had to bring this bill out after a fight, we now find ourselves faced with the fact that the Chief Executive proposes to veto this measure. Everyone here knows that the President has the veto power. It was, therefore, not necessary for that to be announced, but it seems strange that we should have presented to us premature notice of his action in connection with this piece of legislation.

It is true he has had departmental advice, but it is not true that the departments who advised him or those who conferred with those departments gave the painstaking care to a study of this question and this particular legislation which the Committee on Agriculture has given. As a Member of this House, out of respect for preserving its integrity, it is my purpose, having voted in the committee to report this bill out as it is now presented, to support the well-considered determination to which I arrived and the conclusion reached by the committee, with the exception of one member, who did not vote on the bill at that time. I speak with no ire and no choler. I speak, however, with a great solemnity of purpose that makes it seem to me of transcendent importance that if in the future the representative branch of this Government is going to function effectively for the interest of those they represent, we on this occasion should take our position firmly and squarely, as we would under less troublesome circumstances, and come to our own conclusion and stand by our guns.

Now, Mr. Chairman, with full respect for the President of the United States and for the great responsibilities which rest upon his shoulders, may I state that I firmly believe that good government under our form of government entails a proper coordination between the three branches—executive, legislative, and judicial. Nothing in my remarks should be construed as a break between the President of the United States and myself, a servant and representative of the people whom I represent in my congressional district in the State of Texas and my fellow citizens at large in the United States of America, including Puerto Rico and the Territory of Hawaii; but, Mr. Chairman and fellow members of the committee, I do not want to be understood in any other than the true light of my earnest conviction which finds me involved in an utter disagreement with the President of the United States and the departments which oppose the House Committee on Agriculture's final conclusions as represented in this bill with the restrictions on the importation of refined sugar from Puerto Rico and Hawaii as set out in the bill under consideration.

I have every desire as a Democrat and as a citizen of the United States to see a successful administration of our Government in its executive branch by our Democratic President. I have an equally high desire to see the legislative function successfully performed by a Democratic Congress, and because of that, and for no other reason, I find myself in complete disagreement with the departments and the President with reference both to their desire to strike out of the bill the restrictions on direct-consumption sugar applicable to Puerto Rico and Hawaii and the means used to accomplish that end on Representatives in the Congress. At best, Mr. Chairman, it is difficult for me to go along with the continuation of the rigid application of quotas to domestic producing areas.

Mr. Chairman, permit me to say at this juncture that the most difficult situation in which I find myself is that of being in opposition to an amendment which will be offered by my admired, dear, and long-time friend, MARVIN JONES, chairman of the House Committee on Agriculture. I deeply esteem him and hope he will be tolerant with me in that. I am sure he knows that divergent viewpoints between us, however vehement we might become in debate, will in no wise

abrogate or mar either the friendship or admiration I have for him. The statement made by the distinguished gentleman, my good friend from Kansas, CLIFFORD HOPE, that no damage would be done by removal of the restrictive provisions of the bill under controversy leads me to believe that he has made little study of the real facts with reference to the United States cane-sugar-refining industry.

This industry is now operating at less than 65 percent capacity. The average melt of the 3 years under the Sugar Control Act, 1934-36, was 63 percent—4,402,000 tons. The year 1936 was 64 percent—4,515,000 tons.

This is much less than the refiners' production of earlier years. In 1925 the melt was 5,748,000 tons, and in no year until after 1930 did it fall below 5,000,000 tons. The gentleman from Kansas suggested that if the restrictions were removed from Puerto Rico and Hawaii it would merely mean the importation of a small amount in excess of 1,800,000 tons of cane sugar for direct consumption. I hope my friend will take his pencil and subtract that sum from the 4,515,000 tons refined in 1936. No industry operating at as high costs and under such burden of fixed charges can withstand such a terrific competitive loss.

The chief factors bringing about the reduction which has occurred in continental refiners' production have been increased imports of refined sugar from insular areas, such as Cuba, together with American insular areas. In addition, but minor in effect, were the rise and effect of tariff-protected sugar and the vanishing of export demand for refined sugar.

The reasons behind these factors include lower labor charges and fixed charges in the insular areas; after 1930, the tariff differential between refined and raw sugar, which tended to promote offshore refining. Added to these, the general decline in farm prices and demand for farm produce, tending to turn farmers from other production to sugar beets, increasing economic nationalism, rising trade barriers, and the depression reduced incomes, which seriously affected consumption. The large capacity of the seaboard refiner was developed by the exigencies of the World War. The successive reduction in output left a smaller number of units over which the tremendous overhead could be spread. This has successively tended to increase the refining cost per unit and thereby lessens the ability of the continental industry to meet competition of its rival in the American refined-sugar market.

I hold, Mr. Chairman, that the destruction of the continental market for cane sugar is the only objective to be obtained by voting up the amendment to be offered by my distinguished and highly esteemed friend, the gentleman from Texas [Mr. Jones]. Cane-sugar producers in the continental United States have their only market for the raw product in the refining industry, inasmuch as we do not consume raw sugar.

The main argument advanced by those who insist upon the removal of refined-sugar quotas for Hawaii and Puerto Rico is that they demand equality of treatment under the flag. They argue that, inasmuch as there are no trade barriers between individual States on the processing of their respective products for marketing elsewhere, that there should be none for the refining of sugar in Hawaii and Puerto Rico for marketing in continental United States. I resist the theoretical phase of such an argument which wholly ignores the objective of the quota system or what, in fact, the quota system is.

This quota legislation does not seek the establishment of a political status, nor does it raise racial or citizenship questions, but deals wholly and solely with an economical problem in an effort to solve it on an economically fair basis. Its very essence is the stabilization of the industry, together with those markets through limitations of both production and processing. It makes allocations by production limitation to each area which supplies the continental market. As a starting point, it must inevitably take the entire industry as it existed in 1934 as a basis for a beginning. So the establishment of the quota system and perforce limitation of expansion of groups or elements therein would conform to economic law and fair dealing.

The limitation of expansion is applied in the case of Puerto Rico and Hawaii on the fairest possible basis, that of taking the highest peak of the refined sugar processed in Hawaii and Puerto Rico, both prior to the enactment of the law of 1934 as the limit set up in this bill.

Regarding conditions extant in 1934, the restrictions on Hawaii and Puerto Rico will bear honest comparison with those levied on the States of the Union; and I submit, Mr. Chairman, that they are far less severe. I again call attention, by example, to my State, Texas, which formerly produced both sugar beets and sugarcane, not now allowed under the quota to reenter that field of produce. Massachusetts and New York once grew beets to make sugar, and they are likewise barred to reenter that industry. The quota system merely pegs the industry with a few minor readjustments to its status of 1934. This is done on the equitable plan which permits no area or factor in the industry to use the profits and benefits under the quota system to destroy or injure the business of any other area or group. The question does not resolve itself, Mr. Chairman, as to whether all areas or groups under the bill are treated by identical formulas but rather taking into consideration the objective of obtaining for each area an equitable and economical result after consideration of all of the circumstances in the composite picture.

If the restrictions are removed on Hawaii and Puerto Rico as to direct consumption sugar, the underlying and essential principle of the entire quota system will be disrupted and violated. If that is done these two islands will be given a tremendously preferential right over the continental refining industry, which, in my opinion, will finally destroy it, and with it the market to which continental producers must go with their product. This because the quota system denies continental refiners from obtaining their material elsewhere. The quota plan permits these insular American citizens to ship to the continental market the maximum amount they have ever shipped prior to 1934, but, on the other hand, it restricts the volume of continental refining to a figure tantamount to 60 percent of their capacity and far below their performance over a long period of years.

The applied principle is identical. The discrimination or inequality, if any, when final results are reviewed, is against continental refining and not in its favor and is far more fair and reasonable to Hawaii and Puerto Rico. They at least are not required to cut down nor are they caused to do so from their previous performance. They were merely precluded from expansion of their shipments to the continent.

In exchange for this restrictive provision, if there should be involved a sacrifice on the part of Puerto Rico and Hawaii because of the limitation on the quantity of raw sugar which they produce to a reasonable figure based on past performance, these islands are receiving subsidies from the people of the continent amounting to around \$1,000,000 annually.

In conclusion, Mr. Chairman, no State in the Union in continental United States receives comparable benefits under the operation of the Sugar Act. No other sector of the entire sugar industry enjoys greater prosperity than do Puerto Rico and Hawaii. It seems unreasonable to cry discrimination when the measure before us simply provides that they are not to use that prosperity, paid for by American consumers under the quota system, to destroy the old-established continental refining industry which constitutes the only market which the continental producers of cane sugar have. This, Mr. Chairman, would be more than discrimination. It would be grossest inequity tantamount to malpractice. I do not propose to go into recriminations or the criticisms which inevitably rear the ugly head of sectionalism. On the contrary, I have attempted with great solemnity of purpose to present the picture developed in my mind after long and exhaustive hearings before the House Committee on Agriculture, of which I am a member.

Mr. Chairman, these are my conclusions, and upon them I will cast my vote and because of them I make this plea. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I approach a discussion of the merits of this bill this afternoon with a little hesitation because of the limited time at my disposal. You Members who have served for any number of years realize that I have arisen in my place in this House on many occasions to defend the American sugar industry and to do whatever I could to bring about its ever-increasing development.

Something has been said by the previous speakers about the discrimination that is supposed to exist in this bill against certain producers in our island possessions. I would like to discuss that particular phase of the question for a moment. The gentleman from Hawaii [Mr. KING], a gentleman of great ability for whom I have the greatest respect and no little affection, made the plea that the people whom he represents were being discriminated against in the committee bill. Now, let us see about that. The gentleman bases his opinion upon the fact that certain restrictions upon the development of the sugar industry in Hawaii are carried in this bill. The gentleman entirely overlooks the fact that every element of the sugar industry, either in continental United States or in our island possessions, regardless of what that element is, is also restricted in this bill and has been restricted in its development and in operations, since this administration put upon the statute books the first sugar-control bill.

Mr. Chairman, when the present administration took over the management of the governmental affairs of this country there existed in my home city three large beet-sugar refining plants. The beets which those plants refined were grown by the farmers of my district within a radius of 20 miles of those plants. The first sugar-control bill, Mr. Chairman, resulted in the closing and dismantling of one of those plants. More recent legislation and the announcement of policy upon the part of the administration this year resulted in the closing of another one of those plants, and today in my city there is but one refining plant still in operation. I should say if there has been discrimination against any element of the sugar industry anywhere under the American flag it has been directed against the industry of the mainland.

I call the attention of the gentleman from Hawaii to the fact that this bill does not in any way provide for a reduction of any of the sugar activities in those islands. It still permits Hawaii to refine 29,000 tons of sugar each year, and they are still permitted the same quota of raw sugar production which they had last year. There is no discrimination in the bill as it is now written against either Hawaii or Puerto Rico. It seems to me, Mr. Chairman, that if there is discrimination in anything proposed in the bill or proposed by others which is not now in the bill, it will be found in the amendment to be offered to the bill by the chairman of the committee, the gentleman from Texas [Mr. JONES], a gentleman for whom I have more than a great respect, a gentleman who has always dealt fairly with the domestic sugar industry so far as he could, and who will in the years to come be known as one of the great chairmen of this great committee. He will—I assume upon request—offer an amendment which does provide for a discrimination, but it is not a discrimination against the sugar activities or sugar industries of either Puerto Rico or Hawaii.

Mr. Chairman, we have something more than 14,000 American citizens working in the great cane-sugar refining plants located in continental United States, in which many thousands of our American people have invested their savings. The employees in these factories live in this country; they hold jobs in this country. The amendment which will be offered by the gentleman from Texas [Mr. JONES] would, in the final analysis if adopted and enacted into law, result in the ultimate destruction of that investment and throw out of employment those 14,000 men of whom I speak.

Today Hawaii is authorized to refine 29,000 tons of sugar. This is all the refining capacity of the Hawaiian factories. In order to increase that amount, this possession of ours would find it necessary to build other refining plants. A

similar situation exists in Puerto Rico. If we increase the quota for direct-consumption sugar coming from that possession it means that they must necessarily build in those islands additional refining plants.

What will we be asked to do when that amendment is offered? We will be asked through legislation to declare a death sentence upon the investments made in this country; we will be asked to destroy plants which already exist in this country; we will be asked to throw out of employment American citizens living here who now have jobs. We will be asked to do these things in order that people living in our possessions may have the authority and the opportunity to build in the place of the things we would destroy in this country other institutions of like character that their people may have opportunities for investment and that their citizens may have opportunities for more jobs.

It would seem to me, Mr. Chairman, that if there is any discrimination to be found anywhere in this bill or which will be proposed by any amendment, that it is a discrimination against American citizens living in continental United States and not in the possessions of the United States.

Mr. Chairman, there is another phase of the situation that ought to be discussed at this time, it seems to me, and I want to carry the minds of the members of this committee back to the days when Secretary of Agriculture Wallace appeared before the committees of Congress and testified to his belief that the sugar industry of this country was an inefficient industry, that it ought never to have been started in this country, that it ought to be destroyed. He also made the statement at the time, Mr. Chairman, "that it does not seem to be politically possible to destroy this industry at the moment."

Now, Mr. Chairman, I think there has never been so much harmony, so much cooperation between the various elements of the sugar industry of this country as there is at this time. I grant the truth of the things said by my friend the gentleman from Kansas awhile ago relative to the refiners; and I am perfectly aware of the fact that in days gone by they have not played fair with the sugar-beet industry.

[Here the gavel fell.]

Mr. KINZER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Michigan.

Mr. WOODRUFF. I may add, however, that these refiners have finally come to the realization that if they are to be permitted to live industrially they must cast their lot and their political support with representatives in the House and in the Senate from the great beet- and cane-sugar areas of this country. They realize that if they are going to continue to live they must necessarily have the support of those who represent these sections and States. In the past I have resented their activities, their actions, their whole attitude toward the domestic productive industry, but that is water over the wheel. We are faced with a situation which in the last analysis means the destruction of one part of the sugar industry in this country. I refer, of course, to the refining end of the industry. So far as I know I have never even met a man who owned a share of stock in this industry, but I am concerned in preserving the investments in the refining industry in this country. I am concerned in preserving the jobs of these 14,000 American citizens who work and spend their wages in this country. If this industry is destroyed, those men who today are actively supporting this measure and who are voicing their approval of this bill, men who come from sections of the country where refining industries exist, will then no longer be interested in maintaining the great sugar-beet and cane-growing activities of this country which mean so much to the American farmers. When that time comes, when our forces are reduced to only those States which now produce beet and cane sugar, if Mr. Wallace is still Secretary of Agriculture, he will then find it politically possible to eliminate the sugar industry of this country entirely.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. Yes; very gladly.

Mr. MANSFIELD. Does not the gentleman believe that if the domestic refiners are put out of business that that will leave a monopoly in the hands of foreign refiners and that the price of sugar will be increased correspondingly?

Mr. WOODRUFF. I wish I had time to go into that. It would have a great effect upon the price of sugar, as history has taught us. I refer any doubting Member to the year 1920, during a part of which when American beet sugar was off the market and when the importers of offshore refined sugar had an opportunity to fix, without competition, the price of sugar to the American consumers. The American housewife at that time had to pay as high as 32 cents a pound for the sugar she bought. Compare that with the 5 or 5½ cents per pound she pays when the domestic industry is flourishing. I commend that statement to the gentleman from Ohio [Mr. HARLAN], who this afternoon expressed an interest in the consuming public. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Chairman, it is rather difficult to cover all the points in this bill in the short time allotted to me. I listened with interest to the well-informed gentleman from Kansas [Mr. HOPE] when he said that the refined cost in the United States was less than the refined cost in Cuba. In other words, it cost more to refine sugar in Cuba or at least as much as it does in the United States.

The details of the cost per hundred pounds of refining sugar in the United States and Cuba were reported in the United States Tariff Commission Table 56, Report 73, for the period 1929 to 1931, which is the latest information we have available. That shows the average refining cost in the United States to be 0.6591 and in Cuba 0.581. So that argument falls by the wayside.

Then we get down to the question of prices to the consumer. When the Jones-Costigan Act went into effect in 1925 the price to the consumer was 5.448 per pound refined, and retail 7.2. In 1933 to 1936 the average price to the consumer of refined sugar was 5.4 to 5.6. So that under the provisions of the Jones-Costigan Act, which this bill will continue, the price of sugar was stabilized and the cost to the consumer is less than under provisions existing previous to the enactment of those provisions.

Let us get down to the proposition in which I am interested and that is the labor provision. I hold in my hand a letter I received this afternoon from the president of the American Federation of Labor, Mr. Green, in which he says:

MY DEAR CONGRESSMAN: I am taking the liberty of sending you this short note, because the American Federation of Labor is deeply interested in the protection of the economic welfare of the workers employed in sugar refineries in the United States. I understand the Agriculture Committee has reported a measure for consideration and action by the House of Representatives. I sincerely hope this bill may provide such adequate restrictions upon the importation of refined sugar from Cuba as may be necessary in order to protect wage standards and provide employment in the sugar-refining industry in the United States. It would seem but fair and just that such reasonable limitations against the importation of refined sugar from our insular possessions as circumstances may require ought to be incorporated in the measure.

I will appreciate it very much if these recommendations in behalf of labor may be given favorable consideration.

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

Mr. LORD. Will the gentleman yield?

Mr. HOOK. I cannot yield.

Mr. Chairman, may I say that it was no small task to bring this bill out from the Committee on Agriculture. I want to go back to the beginning of the hearings and call attention to page 364 thereof, at which time Mr. Robins, of the Department of Agriculture, refused to testify before the Committee on Agriculture. The gentleman from Kansas and myself insisted that a member of the Department testify. He did not want to testify for the record. Now, that very Department and those men want to impose a restriction upon the continental United States. They want you to take out section 207. They want you to allow refined

sugar to come into the United States unrestricted, yet they did not have the nerve to testify before the committee until we forced them to do so. When they get control of the refined-sugar factories and drop the price of sugar—run our industry out—up will go the price as was done during and after the World War 27 cents per pound. Please do not allow this to happen.

Then what happened? When we did report a bill, they even went to the Rules Committee and to the leaders of the House and said, "We do not want a bill to be reported until it has been amended as we want it."

Mr. Chairman, I say it is about time that we as Representatives of the people of the United States legislate as we see fit and not let other people hand bills to us to be passed. If this bill had been refused a rule because it was not in the form as demanded by the departments, we might just as well have said, "Let the departments write all legislation and when drafted hand it to the Rules Committee." You do not need us Congressmen or any committee work, so we will be more than pleased to go home. If we are not going to be allowed our constitutional prerogatives, please do not make us suffer. Let us go home. Is not that ridiculous? But, after all, that is just what they tried and are still trying here.

They say the President will veto this bill if subdivisions (a) and (b) of section 207 are not stricken out. I do not believe this because he stated in his message to Congress:

The Jones-Costigan Act has been useful and effective and it is my belief that its principles should again be made effective. I therefore recommend to the Congress the enactment of the sugar quota system and its necessary complements, which will restore the operations of the principles on which the Jones-Costigan Act was based.

In a message to Congress dated February 8, 1934, President Roosevelt recommended the passage of sugar legislation. Secretary of Agriculture Wallace, in a press release at that time, stated:

The administration recognized that domestic beet and cane producers will suffer the disastrous effect of further price declines unless the impact of insular production on the domestic market is modified through a definite restriction of shipments.

The result was the Jones-Costigan Act. This law has proven to be a lifesaver to all. It restricted the shipment of refined sugar from all offshore areas, including Cuba and Hawaii, and rightly so, for the protection of both labor and the consumer.

The subcommittee of the Committee on Agriculture which was appointed to consider the sugar question agrees with the President of the United States. We believe that the principles of the Jones-Costigan Act should be continued. We held hearings and heard this problem discussed from every possible angle. Representatives of all sides were heard. After this discussion and a careful consideration of the testimony in executive session the subcommittee reported a sugar bill. The full committee considered the subcommittee's finding, and, with a few changes, reported the bill, which is now before this House.

The Democratic platform in one part states:

We will continue, as in the past, to give adequate protection to our farmers and manufacturers against unfair competition or dumping on our shores commodities and goods produced abroad by cheap labor or subsidized by foreign governments.

We in the Agricultural Committee reported out this bill, which does exactly as the President requested in his message. It extends the principles of the Jones-Costigan Act. It follows out the promises of the Democratic platform of 1936. And I am certain that cloaked undercover news claiming a Presidential veto have no foundation any more than many other bluffs that have been attempted by some of the "brain trusters" who are on the pay roll of the insular and foreign sugar monopolists. Do not be frightened by such rumors. Stand up like men and pass the legislation that a unanimous committee reported after months and months of serious study.

If you do this the beet and sugar growers will be thankful, the consumers will be thankful, but most of all union

labor—the men and women in continental America who labor for their daily bread in the sugar industry, some 75,000 of them—will be everlastingly grateful. I thank the president of the American Federation of Labor, Mr. William Green, for his kind letter to me in behalf of labor, and assure him I will continue to fight for organized labor as I have always done in the past.

I have heard the Delegate from Hawaii talk about labor conditions in the island of Hawaii. Let me quote what the Department of Labor has to say about that. I quote from a bulletin of the United States Bureau of Labor Statistics on labor conditions in the Territory of Hawaii—Bulletin No. 534, pages 14 and 15. The source of labor for the sugarcane industry in the Territory of Hawaii has shifted many times, being originally the Hawaiian Islands, and subsequently China, Japan, Portugal, Spain, Puerto Rico, and Korea. The present tendency is to depend almost exclusively on the Philippine Islands as the source of supply.

Table 12, secured from the immigration bureau at Honolulu, shows the Filipinos arriving at and departing from Hawaii over a period of years:

TABLE 12.—Filipinos arriving at and departing from Hawaii, 1922 to 1929

Fiscal year ending June 30—	Arriving from—		Departing to—	
	Orient	Main-land	Orient	Main-land
1922.....	8,675	38	2,074	98
1923.....	6,530	9	925	937
1924.....	5,915	40	2,694	2,118
1925.....	10,369	93	2,769	831
1926.....	4,995	90	2,715	2,888
1927.....	6,875	78	3,671	2,254
1928.....	12,572	132	4,008	1,515
1929.....	9,593	180	4,809	2,374
Total.....	65,524	660	23,665	13,015

Table 13 shows the Filipinos arriving at and departing from Hawaii by age and sex.

TABLE 13.—Filipinos arriving at and departing from Hawaii, 1925 to 1929, by age and sex

Fiscal year ending June 30—	Arriving from—									
	Orient					Mainland				
	Under 16		Over 16		Total	Under 16		Over 16		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
1925.....	219	105	9,414	631	10,369	4	6	76	7	93
1926.....	62	10	4,794	129	4,995	3	—	78	9	90
1927.....	60	26	6,404	385	6,875	—	1	75	2	78
1928.....	81	57	12,254	180	12,572	3	6	117	6	132
1929.....	76	54	9,320	143	9,593	8	15	135	22	180
Total.....	498	252	42,186	1,468	44,404	18	28	481	46	573
July 1 to Dec. 31, 1929.....	35	31	3,218	87	3,371	0	3	98	4	105

Fiscal year ending June 30—	Departing to—									
	Orient					Mainland				
	Under 16		Over 16		Total	Under 16		Over 16		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
1925.....	190	198	2,122	259	2,769	25	18	751	37	831
1926.....	139	103	2,208	265	2,715	85	50	2,436	317	2,888
1927.....	352	309	2,585	425	3,671	68	83	2,023	80	2,254
1928.....	388	405	2,742	473	4,008	28	35	1,405	47	1,515
1929.....	351	324	3,787	347	4,809	31	27	2,268	48	2,374
Total.....	1,420	1,339	13,444	1,769	17,972	237	213	8,883	529	9,862
July 1 to Dec. 31, 1929.....	169	130	2,130	153	2,582	0	1	621	16	638

There is much discussion and a considerable feeling as to the advisability of the continuance of this immigration. The rapid development of the pineapple industry makes it no longer solely a sugarcane question. Formerly the sugar growers engaged the Filipino on his native heath and paid for his transportation to Hawaii, but this practice has been abandoned. The Hawaiian Sugar Planters' Association now has its agents in the Philippines engaging labor, but these workers must pay their own way to Hawaii. Upon arrival, they are given a contract or agreement that if they will work on the sugar plantations for a period of 3 years, their return expense to the Philippines, should they wish to return, will be paid by the sugar planters' association.

From the plantation managers' point of view, Filipino labor is reasonably satisfactory, although there is not complete unanimity of opinion among such managers. For instance, a manager of a plantation on the island of Hawaii said to his board of directors:

"We were well supplied with labor all through the season and work was kept well in hand. Our Filipinos are a restless lot, changing around from place to place. We trust that the suggested change in the contracts, whereby it is required of them to stay at least 1 year continuously at the place they are assigned to, will work out to the benefit of all concerned."

The following statement from an official of the association is interesting as bearing upon this question:

"With the Filipino labor there is a continuous and from the standpoint of employers undesirable amount of shifting from one plantation to another. Due to the fact that Filipinos have relatives in great numbers and to remote degrees of consanguinity, we find men shifting from one plantation to another, giving as their excuse that they want to be with a cousin, uncle, or brother, or some other connection on a second plantation. In our agreements with the laborer which we make after the arrival of Filipinos in Hawaii, we promise to return them to the Philippines after 3 years' work on plantations, providing they have complied with the terms of the work agreement. These terms require that they must have worked 1 year on one plantation and do not prohibit their moving between plantations. We send back as having completed the contract hundreds and even thousands of men whose work record must be secured from two, three, four, and maybe more plantations during the period of employment here. Within the last year we have caused our work agreement to be slightly changed, requiring the man to work the first year on the plantation to which first assigned, but even then a transfer is permitted, providing the man applies for it and it is approved, so that if he has good reason to move he may do so without forfeiting his rights. If he doesn't desire to apply for the transfer, he may move anyhow, but of course under those conditions he wouldn't have the benefits of his work agreement."

A study of length of service in Hawaii of Filipinos who returned to the Philippines for various reasons during the labor year October 1, 1928, to September 30, 1929, discloses the following:

Of 132 cases of sick men reported to the sugar planters' association as being discharged from hospitals but unable to go back to work, and desirous of returning to their homes in the Philippines, the length of service on sugar plantations averaged 51 months; their average stay on the islands was 65 months, and they had worked on an average of 1.7 different plantations.

Of the contract Filipinos who had fulfilled their contracts, 1,922 desired to be returned during the year. The average sojourn of these men on the islands was 54 months, their average service on sugar plantations was 53½ months, and they had worked on an average of 1.4 plantations. The required service to secure the right to free return is 36 months of 20 days, or 720 days' work on plantations.

The labor conditions in Hawaii are so bad that even the cheap coolie contract labor could not stand it, and they had to change from county to county in order to bring about the labor conditions they wished. Will we be a party to such discrimination against United States laboring men?

So much for Hawaii. I could go on and on and show how they are not fair to labor. That the United States continental laborer is being gouged by this group of scheming monopolistic manipulators of human flesh for their own selfish gains.

How about Puerto Rico? The Puerto Ricans pay no income tax; they are not subject to the Social Security Act; they are exempt, so I am informed, from the provisions of the new wage and hour law. Still we poured \$20,000,000 of relief money in those islands. Now they want to wreck the American market and destroy our refining industry, throw thousands of our laboring men on the continent out of work so that they may use their cheap tropical labor in the islands, and then sell their sugar on our market at a high price. I know you representatives of democracy, who want fair play, will not allow this to be done. Vote against the amendment that is to be offered to take subdivisions (a) and (b) of section 207 out of this bill, and give our own continental labor a break.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, this bill has been given very careful thought and consideration, not only by the members of the subcommittee but by the members of the full Committee on Agriculture. The bill as reported to the House is the result of months of careful and thoughtful consideration and after the views of all interested parties were placed before the committee.

This is not a perfect bill. No particular group in the sugar industry is entirely satisfied with it. It is a compromise among the various groups, but it is a bill which the committee feels deals fairly with all the groups.

A good deal has been said about discrimination against Hawaii and Puerto Rico under the terms of this bill. I do not believe those Territories are discriminated against, because they are permitted to import direct-consumption sugar into this country in volume as great as they ever sent into continental United States at any time in the history of the country. They are not having their refining of sugar reduced or curtailed. They are permitted to bring into continental United States as much refined or direct-consumption sugar as they have ever brought in here. They say they are being discriminated against because they are not permitted to increase the importation of direct-consumption sugar into this country.

Mr. Chairman, if that is discrimination, may I say that the beet-sugar industry in this country is being discriminated against far more than is either Hawaii or Puerto Rico. In my own State of Wisconsin there are refineries that have been closed for several years. These refineries have not opened even under the Jones-Costigan law and probably will not be opened on account of the quota system that will be in effect after this bill is enacted into law. Those refineries have the capacity to refine beet sugar, but under the operation of this bill they will be prevented from operating because we limit the supply of beets, and when you limit the supply of beets in a beet area we are to that extent limiting the operation of the beet-sugar refineries. The beet-sugar refineries are all forced to curtail their production. Our refineries cannot import beets from some other country. That is ridiculous because the cost is prohibitive.

Mr. HOPE. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kansas.

Mr. HOPE. The refineries in the gentleman's district which are closed are, of course, beet-sugar refineries?

Mr. BOILEAU. That is right.

Mr. HOPE. Were they closed as a result of the Jones-Costigan Act or were they closed before that time?

Mr. BOILEAU. I think I made that clear. They were closed before the Jones-Costigan Act went into operation, but they have not opened since and they probably will not open. The reason they will not open is because we reduce the available supply of beets. If there were no quota provisions in effect and if they could produce beets around the beet-sugar refineries, they would be in operation.

Mr. LANZETTA. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. LANZETTA. Is it not a fact that the beet areas have never produced the quotas allotted to them under the Jones-Costigan law?

Mr. BOILEAU. I believe that is true because of the fact they were so demoralized a few years ago they just started to build up.

Mr. LANZETTA. They did not produce the quota allotted to them under the Jones-Costigan law.

Mr. BOILEAU. I have just finished answering the gentleman on that question.

Mr. HOPE. Have the factories of which the gentleman speaks made any effort to get a quota under the Jones-Costigan Act?

Mr. BOILEAU. I do not know. I cannot speak with certainty in that regard. I may say, however, if you want to talk about discrimination, that you are telling the beet refineries of this country "You cannot produce beet sugar" because you are limiting the supply. You are saying they cannot produce

an abundance of beets. You are restricting the amount of beets that can be produced, and to the same extent you are thereby restricting the amount of sugar that can be refined.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. LANZETTA. Is not the gentleman's argument fallacious?

Mr. BOILEAU. The gentleman may think it is.

Mr. LANZETTA. In one breath the gentleman states that the beet areas have been unable to produce their quotas, and in the next breath he says that his State is being restricted in the production of sugar beets under this bill.

Mr. BOILEAU. Oh, I did not say they had been unable to do so.

Mr. LANZETTA. It is a fact that they did not produce their quotas.

Mr. BOILEAU. I say they have been unable to produce their quotas because of the demoralized price of a few years ago. They went down in their production and are just starting to build up. The gentleman should know, if he does not know, that the beet areas in this country are capable of producing a whole lot more sugar than they are producing. My own State has reduced its production tremendously in recent years.

Mr. LANZETTA. I do know that the refineries which the gentleman complains of are not placed under any restriction in this bill. They may operate if they wish to.

Mr. BOILEAU. I am not complaining about any refineries. I am saying that in those areas where you restrict production, by the same law which restricts the production you restrict the amount of sugar which can be refined. This is just like two and two are four; it makes sense. You are restricting production, and I am not saying it is unwise, and I am not complaining of it. I think it is necessary for the stabilization of the industry that we have this bill, but we are restricting the production of beet sugar.

Mr. BUCKLER of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. BUCKLER of Minnesota. A few minutes ago the gentleman made the statement that the beet-sugar manufacturers were not filling their quotas. I have a beet-sugar refiner up in the Red River Valley in my country. A farmer up there cannot get a quota unless some other farmer drops out. We could use two quotas up in our country if we had a chance to sell the beets.

Mr. BOILEAU. Absolutely. There are thousands of acres right around the gentleman's own territory which have not been planted to beets but which could be planted to beets if the growers were given a quota. If we increased the number of beets available, we would thereby be increasing the amount of sugar which could be refined in these refineries. We are restricting the operations of our local refineries not by putting into the law that the refineries are deprived of the right to refine so much sugar but because the effect of the legislation is that we deprive the refineries of the sugar beets. They cannot make beet sugar out of apples or potatoes, they must have sugar beets. When we restrict the production of sugar beets we restrict the production of beet sugar.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. HEALEY. May I supplement the statement of the gentleman by saying that in this bill we are also restricting the production of cane sugar in continental United States.

Mr. BOILEAU. Absolutely. It all comes down to this, that the sugar industry as a whole was suffering. Then we passed the Jones-Costigan Act, which worked out so well that they want more of it, they want a better bill, they want this type of legislation. If we are going to help the sugar industry, we must stabilize the entire industry. If we are going to make sugar production profitable in Hawaii and Puerto Rico and all the other producing areas, we should at the same time not try to do all we can to disrupt the existing refining business but should try to stabilize the industry to the point where it was before we put the Jones-Costigan Act

into operation. We should try to stabilize the industry, and we can stabilize it by using the same type of legislation to affect the refining industry as we are putting into effect with reference to production, that is, this bill.

This is a fair proposition. Puerto Rico and Hawaii are getting refined-sugar quotas as large as any amounts that have ever been produced in the history of the islands. Why should they have more at the expense of the industry on the mainland? We are not treating them differently than we are treating other American citizens. We are restricting the operations of all classes of producers of sugar, and we are also by restricting production thereby restricting the operations and the production of the refineries.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. LANZETTA. Does not the gentleman think that we should give larger quotas to the beet- and cane-sugar producers of the United States, so as to keep the refineries both in the gentleman's district and other districts in operation?

Mr. BOILEAU. No. I may say that this bill is an attempt to compromise differences of opinion, as I stated in the beginning of my remarks. I believe this bill is about as good a bill as it is humanly possible to draw, considering all the conflicting interests involved. I think every group is given fair consideration, but no group has received as much as it wants. I think this is a good compromise and is a bill we can get behind and support. [Applause.]

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. WILCOX].

Mr. WILCOX. Mr. Chairman, on a number of occasions I have expressed my opinion concerning various pieces of legislation which have been adopted by the Congress in the past 4 years regulating and restricting production of various commodities in the United States. I may repeat at this time my own personal position and the position of my State, not only with reference to the regulation of the sugar business but all regulatory and restrictive legislation.

My position and the position of my State is that the American market belongs first to the American producer. [Applause.] Our position is that the American farmer, the American manufacturer, and the American producer should be permitted to produce to their full capacity, and then, if the consumption requirements of this country exceed the production ability of the country, the excess should be allocated to other countries which in turn trade with this Nation.

My objection to the present bill, Mr. Chairman, is that it begins the allocation of quotas at the wrong end. Some gentleman during the course of this debate has pointed out that it is necessary to restrict and quota the production of sugar in the United States because of a reciprocal-trade agreement with the Republic of Cuba. I concur in that view as to why this course has been adopted, and I call your attention to the fact that continental United States produces less than one-third of its own consumption requirements of sugar; and yet in this bill American producers are restricted and limited as to the amount of sugar which they may produce, in order that the Republic of Cuba may have some 2,000,000 tons of sugar to ship into this country.

I want to call your attention to an incongruous fact that occurred in my district and in my State about a year and a half ago as the result of the restrictions on the production of sugar. Bearing in mind the fact that this country produces less than one-third of its own requirements, the sugar producers of my State and of my district in 1936 were forced to pour 1,000,000 gallons of molasses into the Everglades and waste it, when the requirements of this country were three times its production capacity.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. In just a moment.

Now, a great deal has been said during the course of this debate about discrimination for and against Hawaii and Puerto Rico. A great deal has been said about the necessity of treating these Territories and possessions as American citizens. So far as my State is concerned, Mr. Chair-

man, I want to reverse that position. My State asks to be treated as a Territory. If you will give us the same treatment that you have given Hawaii and Puerto Rico, we will be more than pleased. Puerto Rico and Hawaii are both permitted, under this bill, to produce all of the sugar they require for themselves, and then they are given an allotment of sugar that can be shipped into continental United States. On the other hand, my State is restricted to 40 percent of its own consumption. This bill says to the sugar producers of Florida, "You cannot produce the amount of sugar which you yourselves consume, although you have demonstrated the fact that you can produce it both efficiently and profitably. You do not want, you do not need, and you do not ask for a Federal subsidy; you do not need and you do not ask for Federal assistance; nevertheless, you will not be permitted to produce even the amount which you yourselves consume", and, to make sure that we do not, the bill provides upon its face that we not only may not ship in interstate commerce but that we may not market within our own State the sugar that is produced within our own area.

Now, I can understand a program like the A. A. A., where, because of overproduction and consequent decline in price of certain basic commodities, a restriction of production is invoked. But I cannot understand a plan which restricts my State in the production of a necessary element of food when continental United States produces less than one-third of its own requirements of that food element.

I could understand a program which limited unprofitable production in one section of the country, where a subsidy is necessary, so as to permit profitable production in another section where no subsidy is required. Such a program would be in the interest of the consumer. But I fail to see the justice of a plan which limits production and development in that section where the commodity can be produced profitably without a subsidy, just in order that larger quotas may be given to those sections which cannot produce it without a subsidy.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WILCOX. I will be pleased to yield to the gentleman from Missouri.

Mr. SHORT. The able gentleman from Florida has been making a very convincing statement, and I am wondering if the gentleman can inform the Members of the House how much money was spent or doled out in benefits to the sugar growers of his own State under the A. A. A.

Mr. WILCOX. I can answer that question as to one company, and that is exactly the reason we are objecting to any further subsidy of that character. One company in my State was paid a check of \$1,260,000 as benefit payments. That company does not want benefit payments, and we do not want benefit payments, but what we want is the privilege of producing sugar. We want the privilege of developing the industry in our State. Now, I want to pursue that further for just a moment—

Mr. SHORT. But it is a fact that the Government paid one corporation in the gentleman's State over \$1,000,000 for not producing sugar, when you were allowed to produce only 40 percent of the consumption in the State of Florida and when the growers poured over 1,000,000 gallons of molasses into the swamps?

Mr. WILCOX. The gentleman is correct about that.

Mr. SHORT. A very wise policy. [Laughter.]

Mr. WILCOX. Let me call your attention to this fact, Mr. Chairman. Some years ago the Federal Government conveyed to the State of Florida some 5,000,000 acres of what is called the Everglades, a swampy and overflowed section of our State. It was regarded as worthless and of no value for agricultural purposes. Soon after it was conveyed, however, it was discovered that this soil is the most fertile on the face of the globe. Not even the valley of the Nile can compare with it in fertility. It was necessary, however,

that it be drained, that it be irrigated, and be made available for cultivation. Federal, State, local, and private funds to the extent of more than \$100,000,000 have been spent in bringing this great area into production. Recently tests were carried on in that area to determine its availability for the production of sugar. It was discovered that by a peculiar and particular combination of the right amount of sunshine, the right amount of rainfall, and the right contents in the soil, it is the best adapted area on the North American Continent for the production of sugarcane.

I am told that the average production of sugar throughout the United States is about 3,600 pounds per acre. In the Everglades area, one breed of sugarcane has been developed which, in a limited area, has produced as much as 9 tons to the acre; and this is true not only as to productivity but I would call your attention to the fact that sugarcane planted in the Everglades area has been known to grow as many as eight crops from one planting. So that the industry is both efficient and profitable.

I do not believe that this Government has any constitutional, legal, or moral right to say to the citizens of one of the sovereign States of this Union that they shall not engage in a perfectly legitimate business so long as they are willing to do so without Government assistance. I do not believe that the Federal Government has any constitutional, legal, or moral right to prohibit the production of a necessary food product, particularly when the entire industry of the whole country produces less than one-third of the amount of that food element which it consumes.

Now, a great deal also has been said about wage conditions in the various sections of the country. I call attention to the fact that those who are engaged in the sugar business in my State pay probably the highest common-labor rates of any commercial section in the United States. The common Negro laborer working in the cane fields in my State is furnished a home in which to live, and a nice home it is. He is given free electric light, free plumbing, free water, free fuel, free medical service. He is permitted to buy his supplies and groceries at wholesale rates. When a member of his family becomes sick, he is given free hospitalization. His children are given free schools and free school books and free transportation to school, and in addition to that he is paid a minimum of \$2.70 a day. That is the minimum wage. It fluctuates from \$2.70 at the bottom to \$11.50 per day for the higher paid and more skilled laborers in the sugar mills. Those are the conditions in my district. We want the power, we want the right, we want the privilege of developing that industry in that great State.

We have no quarrel with the beet-sugar producers of the West nor with the cane-sugar producers of Louisiana, Puerto Rico, Hawaii, or the Philippines. We are not trying to cut down their production nor take away the benefit payments they seek. We are not trying to hamper or restrict the growth or development of the sugar business anywhere else in either continental United States or its Territories. But we think it is unfair to tie us up with Louisiana and restrict our development. All we ask—all we seek, all we want—is to be let alone. Take off the restrictions, and the sugar industry in Florida will take care of itself.

Florida's position on the sugar legislation is the same as Florida's position on all other regulatory legislation. We believe that the American market belongs first to the American producer. The American market should be preserved for the American producer, and he should be protected in supplying that market as far as his capacity extends. If there is a surplus demand in America beyond the capacity of American producers to supply, then the surplus can be and should be allotted to those countries and those nations which in turn purchase American goods. But I submit in all fairness and in all justice to all parties concerned that to limit and restrict American production of an essential food product in an area where it can be efficiently and profitably produced is unreasonable, unfair, inequitable, and un-American. [Applause.]

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HOOK. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, we have heard a good deal said this afternoon to the effect that Hawaii and Puerto Rico have been discriminated against and virtually treated as stepchildren of the United States. My observation and experience lead me to exactly the opposite conclusion, and to bear that out I call attention to some legislation dealing with these island possessions with which I have been closely connected. Every river and harbor bill enacted within the last 20 years has been through a committee of which I have been a member and in which I have taken quite an active part. We now have on the island of Hawaii six major ports, every one of them with a depth of 35 feet. We have expended upon those ports \$11,511,000. The tonnage of Hawaii in 1935 was 3,222,000 tons. By far the major portion of that was sugar, coming into this country in competition with sugar produced in the United States. We have very few ports of the depth of 35 feet in this country. We have only two that exceed it, and they are New York and Hampton Roads. In the State in which I live, which handled last year 80 million tons of high-class freight with a valuation of more than 1 billion dollars, we have not a port on the shores of Texas 35 feet deep. The deepest port in Texas was 32 feet up to the beginning of last year. Is that discrimination?

Take Puerto Rico and the Virgin Islands. Some 3 or 4 years ago at the request of the Governor of the Virgin Islands I introduced a bill extending our river and harbor laws to those islands. They have quite a small tonnage, and by far the largest commodity handled in the Virgin Islands is coal for fueling merchant ships. They ship a little rum and a little sugar, but not a great deal.

In Puerto Rico we have expended large sums of money. I have visited and inspected all of the harbors of that island. I am a friend of Puerto Rico. I have been in favor of giving them everything they have ever asked for, and I can assure you that they have asked for everything that their trade warranted. We have created a number of ports over there, notably San Juan, and Ponce, Mayaguez, and Arecibo, and we have been requiring the local contribution there that we have been requiring of my State of Texas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOOK. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. MANSFIELD. Take Ponce harbor in Puerto Rico which is the second largest town and port in Puerto Rico. We put through a bill in 1930 requiring Ponce to contribute \$508,000 as a local contribution on that port. In the last river and harbor bill we remitted that and actually refunded to that port \$158,000 which they had expended under that former act of Congress. I do not know of any such instance where we have done that in continental United States. Down at Lake Charles, La., within 22 miles of my State, the people have issued bonds to the extent of about \$3,000,000 and actually dredged a 30-foot channel which they have been maintaining for about 20 years or perhaps longer, all at their own expense, and they handled more than 6,000,000 tons of freight last year. If there has been any discrimination, Mr. Chairman, it has been in favor of the island possessions, and against continental United States, and I believe this is true as to sugar and practically everything else. They certainly get the benefit of the tariff on sugar the same as our home producers.

Mr. HOOK. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

HAWAII AND PUERTO RICO INTEGRAL PARTS OF THE UNITED STATES OF AMERICA

Mr. MAVERICK. Mr. Chairman, I have heard a great deal this afternoon about the American farmer and the American producer. The truth of the matter is that, according to the Constitution of the United States, the man who produces

sugar in Hawaii and Puerto Rico is an American producer, because those islands are each an integral part of the United States of America.

Hawaii and Puerto Rico, my friends—and we all agree to this—are under the Constitution of the United States. Their position is precisely that of the State of Texas. The State of Texas was annexed by the United States of America and became a part of the Nation; so were Puerto Rico and Hawaii.

What does this bill do in reference to section 207 (a) and (b)? It sets up a trade barrier against certain portions of the United States of America—Hawaii and Puerto Rico. The distinguished and lovable gentleman from Texas talks about the ports that we built in Hawaii for the benefit of Hawaii. Why is there any difference in one part of the United States of America when it is separated by water and when it is separated by land?

Mr. KENNEY. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. KENNEY. Is it not because they have there the same standards of labor that they have in China and Japan?

Mr. MAVERICK. I respectfully submit to my friend that is not the point. The answer to the gentleman is that that has not anything to do with the Constitution whatever. However, I will answer that the standards of agricultural common labor in Hawaii are as high as they are in Colorado and certain other portions of the continent of the United States—

Mr. CUMMINGS. Oh, hold on. [Laughter.]

Mr. MAVERICK. In a moment I will read it out of this book. It is called the Interdepartmental Rio Grande Committee. It is from six departments of the United States Government.

But let me finish my statement about the Constitution. When we do this—irrespective of labor standards, whether low or high—we are treating the island of Hawaii, which is a part of the United States, like a colony. Our high-court decisions are unanimous that we have no colonies.

Yes, Mr. Chairman, we are denying that portion of the United States the equal protection of the laws and are actually discriminating against them. Now, suppose we would pass a law making a quota against the State of Texas on the subject of oil, sugar, cattle, or anything else. Suppose we put a separate quota against the State of Michigan. We know every man would get up and say that is unconstitutional and would vote against it.

But, getting down to the practical situation, I heard the gentleman from Michigan [Mr. CRAWFORD] and the gentleman from Texas [Mr. KLEBERG] discuss the matter of a veto by the President of the United States if the discriminatory provisions against Hawaii and Puerto Rico are not removed. I do not know whether there is going to be a veto or not; but I did ask the gentleman from Colorado [Mr. CUMMINGS] if these two special-quota sections, which many regard as unfair and unconstitutional, were stricken from the bill, would it still be a good bill, and the gentleman said it would destroy the processors of sugar, but it would still benefit the sugar people of the United States.

Mr. CUMMINGS. I said the beet people of the United States.

Mr. MAVERICK. I accept the correction from my friend from Colorado. But I maintain it will still be a good bill, even to interested parties a fairly good bill, if those sections are stricken out. But, gentlemen, if this bill is vetoed, as I have heard it said by Members today on this floor, and we leave here and do not have any bill at all, it would certainly be safer and better that we would amend these certain portions of the bill.

AGRICULTURE, INTERIOR, STATE, ALL OPPOSE BILL—FOR GOOD REASONS

Besides this, we all know that three members of the Cabinet oppose those portions of the bill which set up the special quotas against Hawaii and Puerto Rico. They are the Secretaries of Agriculture, State, and Interior.

A committee of the Department of the Interior says the restrictions are like—

The colonialism against which the Colonies rebelled when they declared their independence.

And—

The essence of Old World colonialism . . . was the right of the mother country to exploit those colonies, to consider their citizens as occupying a secondary and inferior status, and to place economic obstacles in their path in favor of commercial interests in the mother country.

The Interior Department also states that the bill—

Establishes discriminations against parts of America inhabited by American citizens, in favor of a few mainland companies already highly privileged by this legislation.

VETO—NO LEGISLATION. IS THE PRESIDENT RIGHT?

In addition to this, as I have said, it is currently reported in the press, and has been so stated on this floor, that the President will veto the bill in its present form. Some have expressed some dissatisfaction with this.

But let us analyze the situation. Are these three members of the Cabinet and the President right or not? Are the expressions of the members of the committee factually correct? Is it true, as one says, that we rebelled against England for the same kind of restrictions? Is it true that discriminations are established against a part of America inhabited by American citizens?

It seems to me the answer is yes; that the statements are true. And if so, is it not reasonable that the President veto the bill? I do not say any Member of Congress should change his vote because of a possible veto. I have voted to override the veto of the President myself. But if the President and three members of the Cabinet are right, why should we not consider their views?

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. HOOK. Would the gentleman be willing to stay here until we could either override the President's veto or vote on the veto?

Mr. MAVERICK. I am one of those who is willing to stay here the rest of the year on any subject.

Mr. HOOK. I hope the gentleman does that in case that happens.

Mr. MAVERICK. I will be glad to do it, and stay right here with the gentleman to get all our job done.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. BOILEAU. The gentleman said if we put a quota on Michigan everyone would be "hollering" about it being unconstitutional.

Mr. MAVERICK. Yes.

Mr. BOILEAU. Is that not exactly what we are doing in this bill?

Mr. MAVERICK. Not as to refined sugar. We are not saying that the State of Michigan or the State of Texas have different quotas as to refined sugar as against other parts of the Nation. We are applying this bill in general to the United States of America, but are setting up a separate quota in reference to refined sugar, only doing so in reference to Hawaii and Puerto Rico.

Mr. MANSFIELD. Do we not have a quota on Texas oil?

Mr. MAVERICK. Yes; but it is on an entirely different theory of government. That is under the "hot oil" bill, where Texas and all States either make quotas on oil or do not—but Federal laws prohibit them from shipping "hot" oil, or oil illegally produced within a State, by virtue of the laws of that State. I submit to my distinguished friend and able colleague from Texas that that is different.

HAWAII AND PUERTO RICO COMPONENT PARTS OF THE UNITED STATES

Mr. MAVERICK. But let me proceed to sum up in reference to the position of Hawaii and Puerto Rico from a constitutional viewpoint. They are unquestionably and admittedly component parts of the United States of America.

I have made three points: First, that the quotas of refined sugar set up trade barriers, as against another part of the country, and which we cannot do within the United States of America; second, to do so is to relegate these parts of the United States to the rank of colonies and put a discriminat-

ing tax, burden, duty, or tariff upon them; third, to deny them the equal protection of the laws.

All of this certainly is in violation of the Constitution of the United States.

AMOUNT PAID LABOR IS NOT RELEVANT TO QUESTION

And as to labor, which I will now discuss. I do not believe that the matter of how much labor is paid in the continental United States of America, or in Hawaii or Puerto Rico, is relevant because this is all one Nation. Each section of our country claims that wages are either lower or higher than somewhere else, and the wage structure does not mean that a certain section of the country cannot sell its products. If the wage structure is to be considered, it should, of course, be considered upon an equal basis. All should get the equal protection of the laws or have the imposition of equal restrictions.

In the same way quotas should be equally applicable. A separate, distinct, discriminatory quota is set up against Hawaii and Puerto Rico in reference to refined sugar which is not imposed upon continental United States. This discrimination is upon Puerto Rican and Hawaiian business and industry. That Hawaii has residents who are Chinese or Japanese laborers does not affect the constitutional question nor make the discrimination just.

Much has been said about the American standard of living and in indirect praise of the sugar refiners. So let us discuss them, and then the labor situation. Their business has been a long trail of slime, and they have a reputation much worse than almost any industry in the United States of America.

At the present time the average wage of the worker in the sugar refinery is about \$1,005. What this law does is to make a subsidy on a basis of workers of something like \$1,600 each per worker. Of course, the workers do not get this subsidy themselves.

Reference has been made to the fact that a small group of people own everything in Hawaii—but in this country one refinery owns 26 percent of the stock of the Michigan Beet Sugar Co. and 50 percent of the Spreckels Sugar Co. One sugar company produces about 45 percent of the sugar in the Colorado, Wyoming, and Montana area. This particular company has had as high as 47 percent dividends in 1 year, and on a basis of its original investment over the past 20 years, 50 percent returns per year. In this general locality, land tenancy back a few years ago was fifty-odd percent, and it has now risen to 72 to 75 percent. No, gentlemen; the farmers are not independent and the agricultural workers are not of the high-earning capacity.

INTERDEPARTMENTAL REPORT ON SUGAR INDUSTRY

Where do I get this information? I get it from the Interdepartmental Rio Grande Committee, composed of the Bureau of Indian Affairs, Division of Grazing, General Land Office, Resettlement Administration, Soil Conservation Service, and Forest Service, which means, of course, that in addition the Department of Interior and Department of Agriculture, of which some of these bureaus are a part.

What else does this report show?

It shows that the average earnings per family—some of them extremely large families in certain portions of Colorado—amount to something like \$289. Mind you, this is per family, and not for an individual.

The report also says in that connection:

The need for supplementation of beet-field earnings is made clear by these figures—

And continues that because of the lower earning capacity of the Spanish-American and Mexican wage earners that—consequently, for many of the beet workers, relief has been the only resort during the winter.

This report also shows that labor agents are sent to parts of New Mexico, Texas, and even Mexico to obtain laborers. In the report advertisements are shown indicating the cheapest type of labor is obtained to be shipped into Colorado, Nebraska, Wyoming, and Montana.

HAWAII STILL PART OF UNITED STATES, THOUGH SEPARATED BY WATER

Now, I repeat, Mr. Chairman, Hawaii and Puerto Rico are parts of the United States of America. I repeat that if

someone should suggest a special or additional quota against Texas, Michigan, or any other State, that we would unanimously agree that was unconstitutional. That there is water instead of land between here and Hawaii and Puerto Rico does not make those parts of the United States less a part than Texas and Massachusetts, although these latter are separated by land instead of water.

Also I appeal to the gentlemen to look with some sympathy on the amendment to be offered by the gentleman from Texas [Mr. JONES], chairman of the Agriculture Committee. The bill will still be an excellent bill for the sugar farmers and workers of the United States of America. It will be fair to the sugar companies and sugar refineries, too. In other words, I believe that we can agree that certainly the bill will not be destroyed by the elimination of the special requirements and restrictions now imposed upon Puerto Rico and Hawaii.

I hope that we will pass the bill, but will eliminate unreasonable discrimination against Hawaii and Puerto Rico.

Mr. HOOK. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida.

The CHAIRMAN. The gentleman is recognized for 8 minutes.

Mr. PETERSON of Florida. Mr. Chairman, at the outset I want to compliment the committee and its members on their patience and hard work. They have had all types of problems. The question of beet-sugar quotas, cane-sugar quotas, offshore quotas, and then the question of refiners and the question of Florida and Louisiana in their disputes with reference to their particular quotas. They have worked hard and they have been courteous in the hearings. They have had a large undertaking.

I take this opportunity to commend the chairman of the committee, our colleague the gentleman from Texas [Mr. JONES], and the chairman of the subcommittee, our colleague the gentleman from Colorado [Mr. CUMMINGS], for the untiring effort they have devoted to this particular bill. [Applause.]

I want at this time to bring to the committee our peculiar problem in Florida. Florida cannot get justice upon a historical basis or a quota based upon that, so I am not finding fault with the committee, but I am voicing fear of the way we may be treated by the Department of Agriculture. For a long period of time, as my colleague the gentleman from Florida [Mr. WILCOX] told you, the Everglades of Florida were not productive. By reason, however, of funds expended by local interests and the Federal Government, it is now known to be one of the most productive areas in the world. We can produce cane as cheaply as many of the offshore areas. We can produce it as cheaply as it is produced in Puerto Rico, we can produce it as cheaply as Hawaii produces it, and nearly as cheaply as Cuba. At the same time, however, we pay a better wage, a minimum wage of around \$2.70 a day, plus housing and other benefits. This great producing area has rapidly come to the front in the last few years and could produce a great portion of our sugar needs if allowed to.

We are merely asking—and at the proper time an amendment will be proposed—we are merely asking that we be allowed to sweeten our own coffee, so to speak. The quota allotted to us is only about 40 percent of the consumption of the State of Florida. It seems only fair that we should be allowed to expand. I am opposed in principle, of course, to quotas in continental United States. I think that we should be allowed to produce at least as much as we can consume in this country. Let us at least feed our own people.

I realize in the case of Cuba that the reason concessions were made under the reciprocal-trade agreement was because it was hoped that they in turn might trade with us. Let me call to the attention of the committee, however, the fact that Florida trades with a great portion of the United

States, that a great number of the things we use in Florida are shipped in there from other sections of the United States. I have assembled a few figures which may be of interest to you as showing that we are entitled to consideration, figures which show that we spend more money in a single year in other sections of the United States than some foreign countries.

In 1935 Florida consumed in foods not produced in Florida, canned goods, poultry products, confectioneries, meats, grain, and apples and bananas to the value of \$97,391,000. She used general merchandise manufactured elsewhere and shipped to Florida worth \$45,323,000. Men's and women's apparel, ready-to-wear clothing, shoes, furs, yard goods and cloth cost Floridians another \$29,178,000. Its automobiles flattened Florida's purses to the extent of \$69,818,000, and the gasolines and oils to run them another \$35,549,000.

Household supplies and furniture took \$22,522,000 out of Florida for that year. Building supplies, hardware, farm implements, paints, glass, electrical appliances, radios, and heating and plumbing fixtures \$19,188,000 flying to the four winds, while Coca Cola, delicacies, drugs, medicines, prescriptions, books, bicycles, beer, liquors, tobaccos, sporting goods, jewelry, and luggage, none of which is made or processed in the State of Florida, cost the people of Florida a sum of \$72,431,000.

All in all, people other than residents of Florida were enriched in this one year to the tune of \$391,282,000. We are pretty good customers. How about a little good-neighbor policy for our peninsula?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. SHORT. And when we spend the money for domestic products we have both the products and the money.

Mr. PETERSON of Florida. That is right. I may say that there is a great sugar-producing company in my State. In turn, people from Michigan, New York, and many other States of the Union are interested in this company. This company employs labor in my district; and in the section of the county where this plant is located there were only 12 people on relief rolls at one time.

I am asking that the Congress give us a chance to raise the cane and produce the sugar that we use ourselves, a chance to let us employ American labor at decent living wages. We talk about American standards of living and make comparison with offshore areas, but we are forced to admit in our hearts that laborers in the offshore areas do not live under the same conditions that our laborers do, nor do they receive the same wages that ours receive.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. SHORT. I understand that more than 16,000 workers are employed in these sugar refineries in the continental United States and that 85 percent of them are organized.

Mr. PETERSON of Florida. I do not have the percentages as to organized labor.

Mr. SHORT. And some 26,000 more men and women are employed in auxiliary businesses that cooperate with the sugar producers.

Mr. PETERSON of Florida. That is correct.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. WOODRUFF. The gentleman referred to the fact his State was not permitted to raise the sugar it consumed. I may say, and I regret the conditions are such I can say it, there are not more than one or two sugar-producing States in the Union that are permitted to grow the amount of sugar consumed, which is a very unfortunate situation.

Mr. PETERSON of Florida. It ought to be corrected.

Mr. WOODRUFF. It should be the business of Congress to develop that American industry to the point where we can raise a very substantial amount more than we do raise.

Mr. PETERSON of Florida. The gentleman is correct.

Mr. Chairman, I may say it would be interesting to show the comparative cost of production. The average cost is

Hawaii 3.005, the Philippines 2.466, Cuba 1.857, and Florida 2.556.

The question may be asked, Why can we not go on the historic basis? As I told you before, we started planting down there. The land had been drained, the dikes built, the company organized, but it ran into financial difficulty. It was reorganized, then the quota system came along. Over 5,000 acres had to be plowed under, more than \$1,250,000 was paid not to produce. Our people do not want benefit payments. They want the right to plant, to market. The American market belongs to the American farmer, the American laborer, and the American manufacturer. Give us a chance. We will develop a great industry. We will be a safeguard against a lack of sugar in time of war. We are the greatest consumer of sugar per capita in time of war. The Federal Government by assisting in flood control has enabled the cultivation of land more fertile than the Valley of the Nile. American initiative has developed a cane that will withstand cane borer and mosaic disease. Shall all this be for nought? It shall not be. It must not be. Give Florida the right to sweeten its own coffee. [Applause.]

Mr. HOOK. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, this is a bill that is desired by the various States and Territories and offshore areas, and, so far as I can see, there is no discrimination whatever in it. It is just a fair bill, fair to all concerned, and, if there is any discrimination, that discrimination is against the States of the United States.

The consumer will benefit, the producers will benefit, and the refining industry will reap benefit.

When the committee undertook to hand out quotas it gave Cuba more than it was entitled to, a reason being that Cuba had built up its capacity and, in order to stabilize the Cuban condition, a generous quota was given to it, far more generous than should be allowed, but our generosity will make for stabilization there. Besides, this liberal quota allotted Cuba gave our approval, which should not be given, to the policy of American capital going down into Cuba, the island possessions, and abroad into foreign countries and there establishing manufacturing plants to take advantage of cheap and low-cost labor at the expense of the labor of the United States. So, the Philippines got better treatment than they deserve. Puerto Rico got all it was entitled to, and so did Hawaii. They got everything any just men could give them. Hawaii got a quota of raw sugar of which it does not complain, and under the bill will have the right to refine and send to the States all the sugar that it can now refine, this bill permitting them to send here all the refined sugar it now has the capacity to produce. Puerto Rico raises no objection to its raw-sugar quota, and has the right to refine 126,033 short tons of its 798,000 short-ton quota. There is in the bill no discrimination against Hawaii and there is no discrimination against Puerto Rico. If Hawaii and Puerto Rico want to refine sugar in the States of this Union they may do so. They can build their factories here and pay the same wages that our refineries have to pay for labor. There is no discrimination in that respect. They can refine in any State without limitation. They have only to adopt the same standards, but they do not have the same standards, and cannot justly complain. I might favor the refining of sugar in Hawaii and Puerto Rico if by doing so a fair competition would result. But that would be impossible. There could be only one effect—to kill off the refining industry in the States, with the loss of employment to their citizens. We do not have the world market for refined sugar because of our high cost of production. We cannot lower our standards to meet the cheap labor of the Tropics. We cannot let Puerto Rico or Hawaii any more than anyone else lower our standards of living or put us residing in the States out of business.

If there is any discrimination in this bill it operates against the States and not in their favor. There is discrimination against Florida and Louisiana. There is discrimination

against the refining industry; but whatever discrimination there is tends to stabilize the whole industry.

Perhaps the refining industry of the States has suffered most from the discrimination. The refineries of the States have been operating at 60 percent of capacity and have even now been reduced to 55 percent of capacity. Why did we allow Hawaii to refine to the extent of 100 percent of its capacity and leave the refineries of the States to 55 to 60 percent of capacity? Certainly the committee did not intend to, nor did it, discriminate against Hawaii in making such provision.

If the Jones amendment, which permits refining of the entire quota of Hawaii and Puerto Rico, is adopted you are going to drag down the labor standards of this country and in a short space of time transfer the refining industry of the country to Puerto Rico and Hawaii. What is happening in these islands today? Our manufacturers are making dresses and sending them to Puerto Rico to be embroidered there at a cost of 10 cents a day for labor. Who suffers? Our labor here. Gloves, white and black and all kinds, are sent down to Puerto Rico and over to Hawaii to be sewed and embroidered at low labor cost and then brought back into this country to compete with the product of manufacturers who pay the higher wages for labor in the United States. Shall we allow the islands to destroy our standards of living? Shall they take away our living entirely? Shall we surrender our refineries and injure other industries that furnish the supplies necessary for the manufacturing of the refiners?

Our refineries buy cotton bags. The gentleman from Texas [Mr. MAVERICK] would have his State deprived of that benefit. Cuba, Hawaii, and the rest of them buy jute bags from Japan at half the cost. Our refineries burn coal from Pennsylvania and other States, and oil, which comes from the State of Texas. The islands have no need for coal and oil for heating purposes. They buy little coal or oil and would not buy very much more, if any, if given the right of unlimited production of refined sugar.

Mr. Chairman, there are involved not only 1,200 men who are engaged in the sugar-refining business in my district but the thousands of others in the industry over the country and not only the men and women in the sugar business but the men and women who make paper boxes and paper cartons, not jute boxes or jute cartons and paper not Japanese jute bags; also, the truckmen and railroad men who handle and transport our sugar.

If you pass the Jones amendment it will mean the beginning of the end of the refining industry of this country. Without the amendment we will get from Cuba 375,000 short tons of refined sugar and from Puerto Rico and Hawaii we will get over 150,000 short tons of refined sugar. If the amendment is agreed to we will get from Puerto Rico and Hawaii something like 1,700,000 or 1,800,000 short tons of refined sugar, which will wreck our refining industry.

I stand here as the defender of my people who labor. I want them to succeed. I do not want to have to repeat the W. P. A. and be forced to other measures like the wage and hour bill that is about to come up for consideration. These 1,200 constituents of mine, to whom I referred, are on strike right now, wanting more money, and a fair wage has been paid up home in the refinery. Something like \$5 a day minimum. But due to the increase in prices my people want more money, and I think they are justified in asking for it. If you pass the bill as it is they will get a raise. I have been in contact with the men and their employer and the Labor Department in their interest. If the Jones amendment is agreed to the refinery up there will not be able to meet the increase for the men as I would like and is justified, and there will be 1,200 men up in my district without jobs. There will be allied industries that will be hurt in the same proportion. Gradually you will find the sugar refining industry, which has been in the States for over 200 years, especially that part of it located along the eastern seaboard, totally destroyed.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the Delegate from Hawaii [Mr. KING].

Mr. KING. Mr. Chairman, first let me express my appreciation to the ranking minority Member for giving me this time. I may say, in apologizing to the other Members who have been restricted to a shorter time, that after all Hawaii's proportion of the industry is about one-sixth or one-seventh of the total, while each of you individually may represent a much smaller proportion than that. I want to express my very great appreciation to the chairman of the House Committee on Agriculture for the consideration he has given me in committee. This matter has been fought out very thoroughly and the committee has reported a bill that does not concede the point for which I contended. However, I believe there is no impropriety in informing the members of this committee that there was a substantial vote in the committee in favor of the amendment I proposed, to remove subsections (a) and (b) of section 207, the restrictive sections against the refining of sugar in Hawaii and Puerto Rico.

I have already outlined as briefly as possible and with a minimum of repetition the general principles for which I have contended with reference to this bill, in its application to Hawaii. The elimination of one subsection will remove the basis of my objection to the bill as it is now offered for the consideration of this body. I understand there will be an opportunity to vote for or against the provision that as at present written places a legislative ban upon the industrial development of parts of the United States in favor of an existing monopoly in that particular process. We are, in effect, told that we can produce the raw materials of our major industry but must not complete the job and produce the finished article in its marketable form.

Now, the justification for this restriction rests on a few well-worn arguments. At the time of the first passage of the present law, we were producing refined sugar in the amount prescribed in the bill—about 30,000 tons—being about 3 percent of the total quota allotted us. In other words, the situation as it existed at the depth of the depression was frozen as emergency legislation, and has now become a precedent for permanent legislation. Had no emergency legislation been passed, whatever else might have happened to our sugar industry, we might now be processing a much larger portion of our total production. I grant freely that the emergency legislation was of great benefit to the sugar industry as a whole, which includes Hawaii's share of it. But I wish to call attention to the fact that the restriction on refined sugar placed in the original bill was not a part of the President's program for the salvation of the American sugar industry, but was an industrial anomaly in an agricultural measure. May I also note that this little joker in the bill to stabilize primarily prices to the original producers of sugar, beets, or cane, froze Hawaii at 3 percent, Puerto Rico at 15 percent, Philippine Islands at 8 percent, and Cuba at 22 percent. In other words, the freezing bore heaviest on an incorporated tax-paying Territory of the United States.

A second argument is that treating Hawaii as you would any other part of the United States will displace a certain number of American working men; that the refining industry on the Atlantic seaboard is functioning at less than its full capacity and a further reduction in the source of supply will require further reduction in the number of its employees or the number of hours they shall work. As to this I want to call attention to a statement made by an official of the Department of Agriculture that the refining of sugar is a highly mechanized process employing a comparatively small number of people in proportion to the total value involved. Another point to remember is that Hawaii has only recently sold a portion of its raw sugar to the refineries located on the Atlantic seaboard. No such sugar was sold prior to 1929 and since then a total of approximately 300,000 tons annually has been distributed over 14 refineries. I have here a table showing the amount of Hawaiian sugars which the eastern refineries have processed for the American market from the years 1922-36,

segregated as to ports of delivery. No eastern refinery worker ever learned his trade nor was any eastern refinery ever built because of Hawaiian sugar.

Shipments of raw sugar produced in Hawaii to eastern and Gulf refiners during the 15-year period, 1922 to 1936, inclusive

Year	Ports and approximate tonnage				
	Boston	Port of New York	Philadelphia	Baltimore	New Orleans
1922	None	None	None	None	None
1923	None	None	None	None	None
1924	None	None	None	None	None
1925	None	None	None	None	None
1926	None	None	None	None	None
1927	None	None	None	None	None
1928	None	None	None	None	None
1929	None	26,653	10,853	7,059	17,298
1930	None	28,906	20,525	20,978	12,146
1931	None	66,440	45,410	6,233	48,655
1932	34,818	138,625	81,878	26,412	69,177
1933	25,026	132,218	71,881	9,967	30,546
1934	29,399	137,921	81,017	8,808	61,907
1935	29,540	101,435	37,848	72,779	35,914
1936	29,801	129,200	61,441	59,047	33,705
Average for 15-year period	9,906	50,760	27,390	14,754	20,621
Average for 5-year period, 1932-36	29,717	127,880	66,813	35,409	46,250

The trade of the eastern refineries was with the Cuban raw-sugar producers, and the gradual restriction of the Cuban raw-sugar importations and the displacement of this sugar by beet sugar and by sugars from other sources, but not from Hawaii, have been the occasion of the gradual reduction in the maximum functioning of the east coast refineries.

It is now proposed to secure them in their employment by continuing a marketing practice of recent origin and of comparatively small volume. It should also be noted that the processing of Hawaiian sugar in Hawaii would give employment, perhaps, in equal numbers to other American citizens and that the handling of the Hawaiian product delivered to marketing ports will continue to employ many thousands. I have read a resolution adopted by a labor council in the Northwest, urging the removal of this restriction because it means to the American workers of that area an increase in employment. It is difficult to justify an economic trade barrier even to obtain for workers security in their employment. I have every sympathy with the concern over the situation shown by the workers employed by the Atlantic refineries, but I ask them if it is fair to deny to any part of the United States its right to develop because of the displacement of employment in some other section. Did the Amoskeag Mills of New Hampshire try to keep their thousands employed by denying employment to fellow Americans in another part of the United States? In this particular case, the maximum who may lose their work because of Hawaii would be approximately 350 persons scattered in 14 or 15 different localities. Surely the refiners could find means to overcome this small displacement. I have here a statement from the Department of Interior which shows that the refiners have, under the protection of the Jones-Costigan bill, increased the amount of sugar they are processing by over 386,000 tons, an increase greatly in excess of the amount of Hawaiian sugars they handle. They have received substantial benefits under the existing law, none of which will be taken away from them by the removal of the restrictions against Hawaii processing its own agricultural commodities.

Curiously, this bill in its present form, while prohibiting Hawaii from refining its own sugar, does not—and I can hardly conceive how it possibly could—require Hawaii to sell its sugar to the Atlantic refineries. In other words, the proposed effort to maintain an industrial monopoly is ineffective, since Hawaii could refine all of its sugar in San Francisco, where our industry now owns a cooperative refinery and where it now processes about two-thirds of its quota,

and where it will continue to process the greater amount of its quota. So that the displacement of labor which is made a great argument in favor of restricting Hawaii from refining sugar may even take place under this ban insofar as the Atlantic seaboard is concerned. One of the statements issued by the American Cane Sugar Refining Association admits this, but states that they are satisfied, provided Hawaii is forced to process its crop on the mainland, and that the association will be perfectly satisfied if we do refine all of our sugar in our own cooperative refinery in Crockett, even at their expense, provided we are barred from doing so in Hawaii. Their championship of their employees does not seem very real by this statement.

Mr. Chairman, one of the other arguments which is advanced against Hawaii is with reference to labor. Those who have been to Hawaii know that there is no basis for the criticism and the statements which have been made against Hawaii on the question of labor. We supply to the people in the Territory of Hawaii who are employed in the sugar industry year-round employment. When I say "we" I speak as a citizen of Hawaii, for, as a matter of fact, I am not directly interested in the sugar industry and own neither stock nor land in connection with it, nor do I have any direct revenue from that industry. There is no seasonal layoff. Their rates of pay are based on the fact they may work every working day in the year. We pay them on a basis sometimes of piecework, sometimes of cultivation contracts, and sometimes a straight day wage. The average of the field labor runs around \$10.92 a week, plus perquisites, which the Department of Labor has evaluated as being worth \$28 a month.

The Department of Labor in 1929 made a survey of labor conditions in the Territory of Hawaii. I have had this book quoted against me, but when you read the book and verify the statements that are quoted you find that they have been distorted or taken away from the text to give a different version of the facts. This book states that the average full-time earnings per week were \$10.92, and there is a little note in connection with that figure which states that this is "per day for adults at basic rates and with bonus, but not including perquisites—rental value of houses, value of fuel, water, medical and hospital service for sickness or accidental injury of any kind—furnished to employees by plantations without any charge to employees. The value was estimated at \$28 per month, or \$1 per day."

This is the average of the agricultural field labor.

On the other hand, the skilled labor and the artisan labor that might be employed in a refinery, if one were erected, would get the scale of wages as listed on page 31 of the report:

Machinists (a day)	\$6-\$8.25
Blacksmiths (a day)	4.50
\$185 a month being the average monthly salary of these classes.	
Welders (a day)	\$10
Carpenters (a day)	\$2.50-4
Locomotive engineers	110-125
Nurses	125-135
Steam-plow engineers	75
Sugarboiler	200
Policeman	140
Timekeepers	175
Electricians	175-270
Chemist	200
Head chemist	200
Pump engineer and electrician	600
Head carpenter	400
Assistant carpenter	190

All of this being in addition to the perquisites of a home and all of this comprising year-round employment.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. KING. For a question; yes.

Mr. HEALEY. Does the gentleman contend that skilled labor is employed in a refinery?

Mr. KING. I, frankly, do not know enough about the personnel employed in a refinery to answer, but I am giving you the scale of wages and, certainly, the type of labor that would be employed in a refinery would not be the agricultural labor that gets a lower scale of wages.

Mr. HEALEY. Most of the persons employed in a refinery we term common labor in my State and they are paid 65 cents an hour as a minimum.

Mr. KING. Common labor in Hawaii would probably start with \$4 as a base pay, including bonus and value of perquisites.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KING. I yield.

Mr. CRAWFORD. Does the gentleman think a man could work as a sugar boiler who was not a skilled man?

Mr. KING. I had thought not.

Mr. CRAWFORD. Do you think he could run an evaporator if he were not skilled?

Mr. KING. I would not think so.

Mr. CRAWFORD. Does the gentleman think he could run the centrifugal machines or conduct any of the other technical operations in a refinery if he were not a skilled man?

Mr. KING. I would not think so.

Mr. HEALEY. Mr. Chairman, will the gentleman yield further?

Mr. KING. I am sorry, Mr. Chairman, but I do not want to get into a controversy here. Everybody else has had a whack at Hawaii, and I just want a chance to come back [laughter] and I hope the gentleman will forgive me if I do not yield further. After all, the argument is not germane. If the law is right, the question of whether we pay or do not pay our labor a just rate of wages is something that comes under another law. That would come under the National Labor Relations Board or under the new wage law we are considering, and I will digress from the subject at this point to show the history of that law, because the gentleman from Massachusetts [Mr. HEALEY] was evidently under the impression we did not come under that law. The bill was introduced by our late colleague, Congressman Connerly, of Massachusetts, on May 24, and on May 26, to show you how determined I am that in all respects, benefits, and burdens alike, Hawaii should share equally with the States, I addressed a letter to him shortly before he died, calling attention to the fact that by definition the bill was restricted to the 48 States of the Union and the District of Columbia. I asked him to change it because Hawaii expected to accept whatever wages and hours were prescribed for the mainland. Unfortunately, he died before he could answer my letter, but the letter was taken up by the joint committee and the bill as introduced in the Senate by Senator BLACK had the correction made. I wrote to the present chairman of the Committee on Labor, and Chairman NORTON verified the statement that the Committee on Labor had accepted the Senate bill as a substitute for the House bill and the language of the bill included the States, Territories, and possessions.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. KING. Yes; I am glad to yield to my colleague, the gentleman from Kansas.

Mr. HOPE. The gentleman will recall that when the original sugar bill was introduced in the House, it had some very drastic provisions with reference to field labor, and particularly against child labor, and the gentleman will recall that the domestic beet producers offered considerable objection to those provisions. I would like to ask the gentleman whether those representing Hawaii offered any objection to those provisions at that time.

Mr. KING. I appreciate the gentleman's asking me the question because he is familiar with the situation. The representatives of the Hawaiian sugar interests came before the committee and stated that they accepted the provisions in toto, as they had those incorporated in the present act, and stated that they would cooperate with the Department of Agriculture in the enforcement of any labor restrictions as to hours, wages, employment of women or children that the Department of Agriculture might wish to prescribe. It was at the instance of representatives of the beet industry that the restrictions in H. R. 7667 have been ameliorated for the benefit of the beet industry with respect to labor conditions.

Mr. LANZETTA. Mr. Chairman, will the gentleman yield?

Mr. KING. I yield.

Mr. LANZETTA. Is it not a fact that Puerto Rico took the same stand with respect to such labor restrictions?

Mr. KING. Absolutely, and that is another thing that destroys this argument as to the un-American conditions with respect to labor, because under this bill you give the Secretary of Agriculture authority and power to enforce fair labor standards in the sugar industry of the United States.

Now, another point has been raised with respect to flooding the American market. I am really astonished at the Members of the Congress who will refer to this subsidy to Hawaii, to this great gift granted the Territory of Hawaii. Even the very distinguished gentleman, whom we all respect and admire immensely, the gentleman from Texas, the chairman of the Rivers and Harbors Committee, made that point. Hawaii consists of eight islands and you cannot do any business in Hawaii unless you have harbors. Our harbors have been improved under the National River and Harbor Act. Following appropriations by successive sessions of the Legislature, the Federal Government has spent millions of dollars on our harbors, but in the case of Hawaii we have never been exempted from the 50-50 quota. Out of those harbors comes a tremendous amount of freight which is carried in American bottoms, and, in fact, it is the principal business that keeps the American flag afloat on the American merchant marine in the Pacific.

The United States Treasury collects in the port of Honolulu \$1,000,000 a year in tariff customs. So it is one of the major seaports under the American flag. You do not subsidize Hawaii when you allow it to raise sugar to enter into interstate commerce beyond its own needs. Where is my colleague from Wisconsin [Mr. BOILEAU]? His State raises an excess of milk and butter products, and it sells these products to the citizens of Alabama, where they raise an excess of cotton and sell it to the citizens of Wisconsin. That is not a subsidy, and it is not a subsidy when we raise an excess of sugar and sell it in the American market. We are doing what we are entitled to as American citizens, and what every other American citizen is entitled to do and is doing.

Otherwise we would go back to Bret Harte's busted mining camp, and make a living out of taking in each other's washing. Take the matter of automobiles, from the State of the gentleman from Michigan [Mr. WOODRUFF], and cotton from the South, and foodstuffs, all of which we buy from other parts of the United States. Take the matter of rice. Our people eat, among other foodstuffs, a good deal of rice, and we consume practically two-thirds of the rice crop of California. We buy it in Hawaii with the money that we make out of the sale of sugar in the American market, and the merchandise we buy from the mainland of the United States exceeds that which is bought in the course of foreign commerce by any except six of the major nations of the world.

As to flooding the market, I obtained authority to insert in the hearings on sugar before the special subcommittee a chart showing the production of sugar by areas for the past 30-odd years. It is a very illuminating table, on pages 78 and 79 of the hearings, because if you go down the line of years you will see that Hawaii raises from 12 to 15 percent of the total consumption of sugar in the United States. We have never gone away up and never gone away down. Beets started practically at zero, and is now 22 percent. I have no objection to that. It is an American industry and I am perfectly satisfied if they could go as far as 50 percent.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. KING. Yes; I shall be glad to do so.

Mr. WOODRUFF. I recognize the fact quite as fully as does the Delegate from Hawaii that the citizens of those islands are just as much citizens of the United States as are the citizens of the State of Michigan, and they are entitled to all of the rights and privileges granted to any citizen of the United States, regardless of where he may find himself.

Mr. KING. Before answering the gentleman from Michigan, Mr. Chairman, it is very obvious from this table that it

is not Hawaii that has been flooding the American market. We have increased in production in proportion to the increase in consumption.

In answer to the gentleman from Michigan, I realize his point clearly. He feels that a restriction on a quota which would prevent the three factories in his district from functioning is a restriction on refined sugar. I leave it to you that there is a fundamental difference between laying a quota restriction on an industry and in saying that of the quota you produce you may process only a small percent, in this case only 3 percent. No mainland producing area is barred from refining its entire quota allotment. I do believe there is a fundamental difference, although I recognize the gentleman disagrees with me, and he feels it keenly because Michigan has a limited quota, only enough to keep one factory going, and he feels it is a discrimination or restriction on refined sugar. I disagree with him on that point. Hawaii is allowed a quota of 938,000 tons, a substantial reduction, to share with other producing areas in providing for an increased quota for the Louisiana and Florida area. Then we are told that we can process only 3 percent of that allowed quota.

Mr. WOODRUFF. The gentleman will agree that if his proposal is put into the law and extended, as it undoubtedly will be extended, that the net result of it will be that we have by legislation destroyed an industry in this country, depriving American citizens living in this country of opportunity to work in order that you may set up another industry of a like character within the islands, and afford labor for your own people.

Mr. KING. No; I do not agree. I am sure the gentleman missed my opening statement. The question of whether we refine or do not refine our sugar does not affect the quota of the beet-sugar people one iota.

The CHAIRMAN. The time of the Delegate from Hawaii has expired.

Mr. DEROUEN. Mr. Chairman, will the gentleman from Michigan yield to me?

Mr. HOOK. I yield to the gentleman from Louisiana.

Mr. DEROUEN. Mr. Chairman, I ask unanimous consent to insert at this point a statement from the Louisiana delegation on the sugar bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEROUEN. Mr. Chairman, I would ask unanimous consent to submit at this point a statement that has been prepared by the entire House Delegation from my State, composed of my colleagues, J. O. FERNANDEZ, PAUL H. MALONEY, ROBERT L. MOUTON, OVERTON BROOKS, NEWT V. MILLS, JOHN K. GRIFFITH, RENÉ L. DEROUEN, and A. LEONARD ALLEN, relating to the Jones sugar bill that is now under discussion.

Mr. Chairman, we believe it is highly desirable and, indeed, necessary that some form of legislation for the control of supply and demand of sugar be enacted if the industry is to exist in a reasonably profitable manner and, at the same time, furnish to the consumer an uninterrupted adequate supply of sugar with a fair price. We believe that this bill with its main provisions is calculated to bring such results and is in accord with the recommendations of the President as on February 26, 1937, in his message to Congress the President stated:

I, therefore, recommend to Congress the enactment of the sugar-quota system and its necessary complements which will restore the operation on which the Jones-Costigan Act was based. In order to accomplish this purpose, adequate safeguards would be required to protect the interest of each group concerned.

The sugar industry has had its ups and downs and was like all other commodities when the depression came along, on the verge of ruin, thereby causing losses in investments, in lands and machinery and buildings; losses to farmers and losses to laborers. It needed something that would require stabilization of prices and orderly marketing of the product and to accomplish this with an equitable program for the various interested groups was quite a complicated

problem. However, the enactment of the Jones-Costigan law with its protective provisions, which law expires this December, brought an orderly movement into the sugar industry, permitting various interested groups to conduct their business on a sound basis which carried its beneficial effects to the farmers as well as the laborers. The bill now under discussion is for the purpose of continuing this program for another 3 years. As it has been perfected, it is an improvement. Of course, the main feature of the bill is the question of quotas. The overproduction of sugar in off-shore areas makes this essential. So the farmer could obtain a reasonable price for his product it was necessary that the quota system be inaugurated and to effect a quota system it was also necessary to control acreage. Therefore, there had to be some compensating requirements to the farmer for his curtailment of acreage and, to take care of this feature, there is a small processing tax placed upon the manufacture of sugar.

The question of quotas has been one that has been very difficult to adjust. We feel as other producing areas that we are entitled to a larger quota than is provided in the present bill. However, realizing the necessity of this legislation we are accepting the compromise quotas as fixed in this present bill. The various groups that have been supplying sugar to the consumer of continental United States and who have been accorded consideration and treatment in this bill reckoned on past performances are the cane and beet producers of continental United States; cane producers of Hawaii, Puerto Rico, and Virgin Islands, and the cane producers of the Philippines and Cuba, and the refiners of off-shore raw sugar in continental United States. In the quotas as provided in this bill each one of these groups have been given consideration and allotments. While it is quite probable that no one group is entirely satisfied as they could produce more than the quota assigned, which is our case in Louisiana, it is a fact that each of the producer groups has been given consideration in keeping with the President's recommendations wherein he stated "that adequate safeguards would be required to protect the interest of each group concerned." This applies not only to the grower of cane and beet in continental United States but also to the refiners. The refining of sugar in continental United States is quite an industry and employs many; the investments are large and we believe that no offshore sugar should come to United States in consumption form; that this particular business should be given to our own investors who have the equipment to do the work and the laborers who need the work. However, we are accepting the compromise on this particular feature as well as the others.

The State of Louisiana has been growing sugarcane for the past 185 years on certain lands particularly adapted to the growing of cane. We have in 1937 in our State 240,000 acres of land in sugarcane for sugar cultivated by 12,000 farmers. In this industry, besides, we have 71 sugar houses and have six refiners. The industry employs approximately 43,000 heads of families. The investment reaches into large figures and means much to the welfare of the community as employers of laborers and taxpayers, all of which only makes us deeply concerned in the welfare of the industry. We appreciate its usefulness and its value to our citizenship as a whole, and, therefore, we can fully appreciate the problem and its needs in the other sugar-producing areas, with which we are in entire sympathy. We believe it is to the interest of the American citizen that the sugar industry of continental United States be protected and not traded off for any imaginary values that may appear for other commodities. It must be remembered that of our thousands of acres in continental United States that are in cane and beet production, that to take this acreage out of such production would mean the acreage would have to go into production of corn, wheat, or cotton, of which there is now an oversupply, and this would not only add an increased supply of these commodities but would take from the sugar-producing areas in continental United States the buying power that they receive now from the sugar industry and which money

is spent liberally in the other States for various sundry supplies. We believe the principle of this legislation is economically sound because it was so proven by the experimentation we have had with the Jones-Costigan bill, which this legislation patterns.

We trust there will be no change in the quota features of the continental groups because, if there are, they are bound to work an unjust hardship. We also hope the legislation will not be delayed, as we believe this would have a very serious and damaging effect to all. We are also conscious of the fact of the trying circumstances under which the Agriculture Committee has labored to produce the bill that is now under consideration. We know they have labored diligently and laboriously and have tried to give sympathetic consideration to the various interested groups. We believe they have recommended a compromise bill that should receive the support of this Congress. We want to take this opportunity to congratulate them on the splendid results they have obtained under the most trying conditions.

Mr. HOOK. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. MASSINGALE].

Mr. MASSINGALE. Mr. Chairman, I ask unanimous consent in this 3 minutes to speak out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MASSINGALE. Mr. Chairman, I have listened with a great deal of interest to the debate on sugar. Knowing nothing about it, I have learned. My object in taking the floor now is to call the attention of the House to the condition that the farmer in America finds himself in, so far as expected legislation is concerned in this Congress. It seems that the program is to consider housing and wages and hours, and let the farmer go by the board and take his chances next January and the succeeding months. To me that is a distressing piece of information. If there is a class of people in this country, composing 33,000,000 of our population, who ought to be entitled to some security by legislation, it is the American farmer. What I would like to see done is for this Congress to stay in session until we can yoke the farm program with the work-labor program and with the housing program. There is no reason why the farmer should not be considered along with those two other major matters by the Congress. I would like to join a group that would stay in session until a decent farm program is given consideration. If we cannot give it consideration during this session, then I believe it would be fair to the three major propositions that Congress has to consider, that they be postponed until next January; and next January we ought to resolve that we will have those matters for consideration and they shall have priority over any other legislative matter that comes up for the consideration of the Congress.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. May I inquire how long we expect to proceed without a quorum?

Mr. JONES. We expect just to finish the general debate and read one paragraph and then rise.

Mr. MICHENER. How much general debate is there remaining?

The CHAIRMAN. There are 22 minutes remaining.

Mr. MICHENER. The gentleman does not intend to read any of the bill?

Mr. JONES. Just the first paragraph, but not offer any amendments.

Mr. MICHENER. Is it the purpose to finish the bill tomorrow?

Mr. JONES. Oh, yes.

Mr. HOOK. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, after listening to the various arguments that have been presented this afternoon I

think the question resolves itself down to whether or not the Territories of Puerto Rico and Hawaii should be entitled to the production and refining of sugar for the American market without restriction, or whether the quotas allotted to those Territories by the provisions of this bill are just and equitable.

This committee has had a big job. It has held hearings. They have given very careful consideration and study to a very complex and difficult problem in an endeavor to settle this very troublesome situation in a manner that will be fair and equitable to all of the various elements concerned.

The claim of the gentleman from Hawaii [Mr. KING] just presented in such an able manner is that the Territory of Hawaii is a possession under the American flag and no discrimination should be exercised against it. In other words, that they should be allowed to produce and refine sugar for the continental American market without any restriction. It seems to me, in view of the facts presented here today, showing conclusively that the provisions contained in the bill restrict other producing and processing areas in our country, that that argument is untenable and without force. We have heard various gentlemen from the beet-producing sections contend that under the terms of the bill their quota is restricted.

The gentlemen from Florida contend that they are not permitted to produce enough sugar to take care of the consumption of their State. Then, surely there is not much merit in the contention of the gentleman from Hawaii [Mr. KING] that the bill discriminates against that Territory. No one has contended here today that if the unrestricted privilege of producing and refining sugar is extended to the Territories that it will not mean practical ruination of the refining industry in this country. It will then mean American labor versus poorly paid tropical labor, and our refiners would be unable to cope with that situation. Hawaii and Puerto Rico have the same quotas they always had under this bill. They have not been refining countries. They do not have extensive refining facilities. New refineries would have to be built. The refineries are in this country, mostly in the populous centers of our country, in New York, Philadelphia, Boston, in the States of New Jersey, Florida, Texas, Georgia, and Louisiana, and other sections, where they employ American labor under decent labor standards. For instance, in my own State of Massachusetts there are two refineries employing from 1,500 to 1,800 men. Both of those refineries are unionized, both of them pay union wages.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. HEALEY. They pay 65 cents an hour to common labor and maintain a 40-hour week. They pay to the city of Boston, for instance, something like \$500,000 a year in taxes. They have a \$3,000,000 pay roll. If you transfer this industry to the insular possessions what will happen in the continental United States to these American workmen? Is it proposed to throw them out of work and add them to the army of unemployed? Do you want to impose a still greater burden on our cities?

In my judgment, Hawaii is being most fairly dealt with in this bill. It has the free and unrestricted privilege of producing and refining sugar for its own Territorial use and for sale in the world market. Under this bill it has received as fair a deal as it has ever had.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield.

Mr. SHORT. Is it not a fact that large industrialists and international financiers in this country who call themselves Americans have established and built not only sugar refineries but other kinds of factories not only in island possessions, but in foreign countries where labor is cheap in order to make their profits?

Mr. HEALEY. The gentleman is correct, and their principal purpose is to take advantage of a cheap-labor market in those countries.

I have the figures read into the Record by the gentleman from Hawaii, and I submit they are in no way comparable with the wages for persons engaged in similar trades in continental United States.

I know the gentleman is too intelligent and too well informed to seriously contend that wage and working conditions in Hawaii compare favorably with similar conditions in the continental United States.

I believe he knows that if labor conditions were even nearly comparable that refiners in Hawaii would not be able to drive our century-old industry from the continent to the insular possessions. The gentleman [Mr. KING] makes light of the economic dislocation caused by the migration of established industries to low-wage areas. I say to him and to all the Members that the time has arrived when we must take serious notice of these trends and their serious consequences to our national economy.

I trust the Membership of the House will support the committee. Its members have worked arduously and diligently, and have fairly and justly considered this complicated legislation from every angle. In my judgment they merit our full support. [Applause.]

[Here the gavel fell.]

Mr. LANZETTA. Mr. Chairman, there has been so much talk about discrimination on the floor of the House this afternoon that I am beginning to wonder whether Puerto Rico and Hawaii are being discriminated against, or whether Puerto Rico and Hawaii are discriminating against the 48 States. What is discrimination? Discrimination is the placing of unusual burdens upon one group of citizens for the special benefit of another group of citizens.

When the gentlemen from Florida, Michigan, Wisconsin, and other States complain that they are being discriminated against because they cannot raise the quantity of beets or sugarcane they would like to raise, I say that their premise is false, because that is not discrimination in that the beet- and sugarcane-quota burdens in this bill are distributed as equally as it is humanly possible on all the citizens of the United States.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. LANZETTA. I yield.

Mr. HOOK. Is Puerto Rico subject to the income tax? Is Puerto Rico subject to the Social Security Act? Is Puerto Rico subject to—

Mr. LANZETTA. One question at a time, please. If the gentleman is going to set the precedent in this Congress that the rights and privileges of a State or of a citizen depend upon the amount of tax paid, then I say to the gentleman that he is setting a dangerous precedent, because tomorrow many States of the Union and many individuals who are paying the largest amount of taxes may come to this Congress and ask for special privileges.

Mr. Chairman, I ask unanimous consent to insert in the Record at this point a memorandum from the Department of the Interior on the subject of discrimination and exploitation of our Territories.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The memorandum is as follows:

A committee of the Department of the Interior, surveying the effect of various sugar proposals on the island possessions within the jurisdiction of that Department, today reported to Secretary of the Interior Ickes:

"The provisions of H. R. 7667, discriminating against Hawaii, Puerto Rico, and the Virgin Islands in the matter of refined sugar, are in complete violation of traditional American policy and of basic American principles.

"First, these discriminatory provisions establish trade barriers within the United States. These provisions establish that a certain part of the Union may not manufacture, may not process the products of its soil. This discrimination against one part of the Union is established not merely in favor of another part of the Union—in itself an unjustifiable performance. It establishes discriminations against parts of America, inhabited by American citizens, in favor of a few mainland companies already highly privileged by this legislation. As a precedent, this kind of discrimination is unthinkable—and because it was introduced without the administration's approval 3 years ago in the Jones-Costigan bill, in an emergency, is no reason for making it a continuing national policy.

"Second. These discriminations are contrary to the spirit of American institutions. They are contrary to contemporary American policy by establishing an Old World colonialism in America. The essence of Old World colonialism, the colonialism against which the Colonies rebelled when they declared their independence, was the right of the mother country to exploit those colonies, to consider their citizens as occupying a secondary and inferior status, and to place economic obstacles in their path in favor of commercial interests in the mother country. This is still the practice among Old World empires, though to a more limited extent than it was a century and a half ago—because colonies cannot be exploited as ruthlessly now as then. However, it is self-evident that sound statesmanship in the United States cannot recognize, cannot permit, the establishment of such a continuing policy with us. It has been part of our historic process that Territories represented an earlier stage of political development, and that during that period of development their lack of voting strength in the Congress was not to be taken advantage of to penalize them, but, on the contrary, should entitle them to the fullest protection from the entire Congress. Because Hawaii and Puerto Rico have no vote in the Congress is not only not a reason for discriminating against their products and imposing restrictions upon them against which they cannot retaliate, but it is a valid reason for insuring them protection at the hands of the entire Congress. The Congress itself is looked to by American citizens in Hawaii, Puerto Rico, and the Virgin Islands to insure them equal treatment."

Mr. LANZETTA. The thing that the gentleman from Massachusetts spoke about a moment ago is the very thing that caused the trouble between England and the Colonies in 1776. England at that time took the stand that the citizens of the mother country should have special rights and privileges to the detriment of the citizens who resided in the Colonies. When we discriminate against Puerto Rico and Hawaii by restricting the production of refined and direct-consumption sugar in these Territories we are doing the same thing that caused a great deal of the trouble between England and the Colonies.

Much has also been said about how fair we have been to Puerto Rico and Hawaii. Well, now, let us look at the other side of the story and see how fair Hawaii and Puerto Rico have been to us? I want to call the attention of the Members of this House that in the last 10 years Puerto Rico alone has purchased over \$900,000,000 worth of goods from us, while Hawaii has purchased an almost similar amount. I say that this is something that the Members of Congress should ponder over, before talking about how fair we have been to these offshore areas. Needless to say, the purchase of this tremendous amount of goods benefited not only the producers but also thousands of workers in continental America.

Mr. Chairman, I wish to insert at this point certain tables which show the various benefits received by Puerto Rico and Hawaii as compared to those received by the States.

[Here the gavel fell.]

(Mr. LANZETTA asked and was given permission to revise and extend his own remarks in the Record.)

Total regular and emergency Federal aid, by States, for fiscal years 1934, 1935, and 1936¹

State	Total grants direct to States for regular Federal aid ²	Total emergency aid		Total	Total per capita
		Total grants direct to States ³	Payments to individuals under Agricultural Adjustment Administration		
Alabama.....	\$14, 870, 426.89	\$91, 971, 242.90	\$34, 539, 085.87	\$141, 380, 755.66	\$49.37
Alaska.....	374, 829.02	3, 828, 142.69	4, 202, 971.71	67.79
Arizona.....	6, 749, 144.62	32, 895, 023.90	3, 401, 563.51	43, 045, 732.03	106.02
Arkansas.....	11, 720, 772.50	78, 830, 306.77	40, 305, 611.54	130, 856, 690.81	64.68
California.....	23, 832, 197.64	293, 647, 881.84	16, 343, 323.44	333, 823, 402.92	55.10

¹ Compiled from reports of the Treasury Department, the Reconstruction Finance Corporation, and the Agricultural Adjustment Administration.

² Regular Federal aid includes payments for (1) agricultural experiment stations, (2) cooperative agricultural extension work, (3) national forests and fire prevention, (4) cooperative distribution of forest planting stock, (5) cooperative construction of rural post roads, (6) Federal-aid highway systems, (7) colleges for agriculture and mechanic arts, (8) Mineral Leasing Act, (9) certain special funds, (10) cooperative vocational education, (11) Reclamation Service, (12) U. S. Employment Service, (13) State marine schools, (14) education of the blind, (15) National Guard, (16) Federal Water Power Act, (17) State and Territorial homes for disabled soldiers and sailors, and (18) social security.

³ Emergency expenditures include: (1) National Recovery Act, highways funds, (2) Federal Emergency Relief Administration grants, (3) Public Works Administration grants, (4) Works Progress Administration grants, (5) Reconstruction Finance Corporation disbursements for relief and work relief, and Puerto Rico Relief Administration grants.

Total regular and emergency Federal aid, by States, for fiscal years 1934, 1935, and 1936—Continued

State	Total grants direct to States for regular Federal aid	Total emergency aid		Total	Total per capita
		Total grants direct to States	Payments to individuals under Agricultural Adjustment Administration		
Colorado	\$9,716,568.51	\$75,246,942.67	\$18,327,717.44	\$103,291,228.62	96.90
Connecticut	5,848,744.17	55,206,749.18	2,420,976.75	63,476,470.10	36.61
Delaware	2,237,614.52	7,467,387.48	480,356.65	10,185,358.65	39.33
District of Columbia	1,762,462.93	29,472,463.81		31,234,926.74	50.46
Florida	8,419,585.29	83,862,685.59	3,667,340.62	95,949,611.50	58.43
Georgia	9,337,640.31	96,140,521.53	35,356,057.98	140,834,219.82	46.02
Hawaii	3,146,690.04	9,316,413.59	13,362,938.60	25,826,042.23	65.88
Idaho	6,401,045.71	30,354,347.10	14,244,543.09	50,999,935.90	105.15
Illinois	22,804,816.89	126,231,584.02	69,455,877.06	462,780,241.97	58.99
Indiana	16,711,414.73	126,231,584.01	42,743,479.16	185,686,477.90	53.68
Iowa	11,935,975.34	66,055,320.75	113,700,747.71	191,692,043.80	75.38
Kansas	9,340,303.56	84,951,750.98	102,879,195.26	197,171,249.80	104.54
Kentucky	9,762,291.45	69,025,915.93	22,848,195.95	101,636,403.33	35.25
Louisiana	7,730,048.24	85,568,109.53	33,450,690.98	126,748,818.75	59.73
Maine	5,158,574.64	25,951,519.83	105,242.25	31,215,336.72	36.59
Maryland	5,378,716.15	63,017,729.71	3,852,347.10	72,248,792.96	43.16
Massachusetts	12,910,512.68	224,227,302.50	1,821,700.44	238,959,515.62	54.00
Michigan	21,783,706.34	214,901,109.63	10,903,248.90	247,588,124.87	51.76
Minnesota	12,724,292.79	138,293,178.90	39,883,484.37	190,900,956.06	72.45
Mississippi	14,437,225.93	59,427,388.05	38,267,051.40	112,131,665.38	55.84
Missouri	15,117,741.19	140,448,917.91	52,261,578.92	207,828,238.02	52.50
Montana	10,103,227.53	48,060,577.17	22,500,982.59	80,664,787.26	151.91
Nebraska	8,316,203.48	57,211,330.06	68,950,404.94	134,477,938.48	98.59
Nevada	5,376,376.85	12,880,979.60	295,657.13	18,553,013.58	185.53
New Hampshire	3,095,461.92	16,431,967.74	129,652.31	19,657,081.97	38.70
New Jersey	10,146,218.72	172,687,826.68	786,975.50	183,621,020.90	42.43
New Mexico	6,994,658.70	33,243,427.98	4,598,365.04	44,836,451.72	106.25
New York	32,691,215.80	777,728,602.94	1,925,455.49	812,345,274.23	62.80
North Carolina	13,187,132.03	73,888,105.68	35,181,027.97	122,256,265.68	35.36
North Dakota	6,802,095.86	54,675,664.09	49,512,450.84	110,990,210.79	157.88
Ohio	21,222,654.43	355,403,515.89	33,716,375.14	410,342,545.46	61.13
Oklahoma	12,782,821.23	101,227,046.30	66,837,549.13	180,847,416.66	71.54
Oregon	9,680,894.99	44,047,547.03	9,045,688.17	63,774,128.19	62.81
Pennsylvania	21,863,792.95	488,510,356.56	4,676,386.47	513,050,535.98	50.62
Puerto Rico	2,498,457.28	29,461,712.55	14,218,756.40	46,178,926.23	26.51
Rhode Island	3,219,943.33	20,604,068.19	61,200.80	23,885,212.32	35.07
South Carolina	6,165,754.19	60,969,886.89	24,592,519.90	91,728,160.98	49.32
South Dakota	7,432,672.98	61,048,139.73	38,790,670.18	107,271,482.89	155.02
Tennessee	10,499,274.05	75,589,940.58	22,159,182.20	108,248,396.83	37.80
Texas	32,905,281.03	192,910,599.05	158,131,582.69	383,947,462.77	62.77
Utah	5,935,094.73	36,519,995.34	4,623,206.13	47,078,296.20	91.24
Vermont	3,190,202.89	9,978,703.86	233,248.07	13,402,154.82	35.27
Virginia	9,931,872.22	57,388,889.74	8,671,887.92	75,992,349.88	28.45
Virgin Islands	15,049.00	721,928.57		736,977.57	33.50
Washington	9,905,510.87	77,920,559.84	19,014,308.57	106,840,377.28	65.03
West Virginia	5,047,799.75	80,836,572.03	1,172,348.51	87,056,720.29	47.57
Wisconsin	14,948,282.40	153,416,359.39	15,273,921.19	183,638,562.98	63.15
Wyoming	7,008,698.54	19,810,708.72	4,063,734.77	30,883,142.03	132.55

* Does not include \$11,258,325.70 (\$6.46 per capita) of United States customs, internal revenue, and income taxes collected and retained. The total income collected from these sources for 38 years totals about \$95,000,000.

Loans and disbursements, Farm Credit Administration and Reconstruction Finance Corporations, to Sept. 30, 1936, by States

State	Total	Per capita
Alabama	\$73,915,973.93	\$25.81
Alaska	347,500.00	5.60
Arizona	22,972,219.60	56.58
Arkansas	77,574,883.57	38.35
California	622,559,558.35	102.75
Colorado	70,016,537.63	65.68
Connecticut	35,715,733.89	20.60
Delaware	2,552,765.00	9.86
District of Columbia	30,274,698.00	48.91
Florida	39,288,466.46	23.93
Georgia	66,603,574.70	21.77
Hawaii	1,230,832.00	3.14
Idaho	58,033,120.28	119.66
Illinois	566,857,704.02	72.26
Indiana	171,874,055.01	49.09
Iowa	343,684,964.84	135.15
Kansas	173,857,050.22	92.18
Kentucky	99,468,045.18	34.50
Louisiana	164,754,293.09	77.64
Maine	81,703,617.77	95.78
Maryland	139,451,167.77	83.30
Massachusetts	86,632,934.63	19.58
Michigan	488,131,067.20	102.06
Minnesota	224,647,193.30	85.26
Mississippi	56,695,402.00	43.18
Missouri	153,678,597.04	38.82
Montana	66,057,928.85	124.40
Nebraska	193,796,747.87	142.08
Nevada	14,589,206.81	145.89
New Hampshire	6,549,125.38	12.80
New Jersey	217,715,246.00	50.30
New Mexico	32,652,772.90	77.38
New York	600,990,415.50	47.16
North Carolina	99,696,699.40	28.84
North Dakota	180,749,699.10	257.11
Ohio	517,882,972.50	77.15
Oklahoma	89,005,031.31	35.21

Loans and disbursements, Farm Credit Administration and Reconstruction Finance Corporation, to Sept. 30, 1936, by States—Continued

State	Total	Per capita
Oregon	\$55,920,730.54	\$34.82
Pennsylvania	289,619,547.97	28.57
Puerto Rico	16,967,823.82	9.74
Rhode Island	7,756,492.71	11.39
South Carolina	63,336,754.45	34.05
South Dakota	134,824,528.73	194.83
Tennessee	150,937,719.17	52.70
Texas	422,722,989.26	72.38
Utah	50,138,473.92	97.17
Vermont	33,053,755.36	86.98
Virginia	79,513,350.35	29.77
Washington	97,635,814.97	59.43
West Virginia	52,759,035.41	28.53
Wisconsin	251,608,170.78	86.52
Wyoming	26,845,151.02	115.22
Virgin Islands	125,000.00	5.68

Total per capita regular and emergency Federal aid by States for fiscal years 1934, 1935, and 1936

Rank	State	Total	Total grants direct to States for regular Federal aid	Total emergency aid	
				Total grants direct to States	Payments to individuals under Agricultural Adjustment Act
1	Nevada	\$185.53	\$53.76	\$128.81	\$2.96
2	North Dakota	157.88	9.68	77.77	70.43
3	South Dakota	155.02	10.74	88.22	56.06
4	Montana	151.91	19.03	90.51	42.37
5	Wyoming	132.55	30.08	85.03	17.44
6	New Mexico	106.25	16.58	78.77	10.90
7	Arizona	106.02	16.62	81.02	8.38
8	Idaho	105.15	13.20	62.58	29.37
9	Kansas	104.54	4.95	45.04	54.55
10	Nebraska	98.59	6.10	41.94	50.55
11	Colorado	96.90	9.12	70.59	17.19
12	Utah	91.24	11.50	70.78	8.96
13	Iowa	75.38	4.69	25.98	44.71
14	Minnesota	72.45	4.83	52.48	15.14
15	Oklahoma	71.54	5.06	40.04	26.44
16	Alaska	67.79	6.05	61.74	
17	Hawaii	65.88	8.03	23.76	34.09
18	Washington	65.03	6.03	47.43	11.57
19	Arkansas	64.68	5.79	38.97	19.92
20	Wisconsin	63.15	5.14	52.76	5.25
21	New York	62.80	2.53	60.12	1.15
22	Texas	62.77	5.38	31.64	25.85
23	Oregon	62.31	9.52	43.31	9.48
24	Ohio	61.13	3.16	52.95	5.02
25	Louisiana	59.73	3.64	40.33	15.76
26	Illinois	58.99	2.91	47.23	8.85
27	Florida	58.43	5.13	51.07	2.23
28	Mississippi	55.84	7.19	29.60	19.05
29	California	55.10	3.94	48.46	2.70
30	Massachusetts	54.00	2.92	50.67	.41
31	Indiana	53.68	4.83	36.49	12.85
32	Missouri	52.50	3.82	35.48	13.20
33	Michigan	51.76	4.55	44.93	2.28
34	Pennsylvania	50.62	2.16	48.00	.46
35	District of Columbia	50.46	2.85	47.61	
36	Alabama	49.37	5.20	32.11	12.06
37	South Carolina	49.32	3.32	32.78	13.22
38	West Virginia	47.57	2.76	44.17	.64
39	Georgia	46.02	3.05	31.42	11.55
40	Maryland	43.16	3.21	37.65	2.30
41	New Jersey	42.43	2.35	39.90	.18
42	Delaware	39.33	8.64	28.83	1.86
43	New Hampshire	38.70	6.09	32.35	.26
44	Tennessee	37.80	3.67	26.39	7.74
45	Connecticut	34.61	3.37	31.84	1.40
46	Maine	36.59	6.05	30.42	.12
47	North Carolina	35.36	3.81	21.37	10.18
48	Vermont	35.27	8.40	26.26	.61
49	Kentucky	35.25	3.39	23.94	7.92
50	Rhode Island	35.07	4.73	30.25	.09
51	Virgin Islands	33.50	.68	32.82	
52	Virginia	28.45	3.72	21.48	3.25
53	Puerto Rico	26.51	1.44	16.91	8.16
	Do.	32.97			

* Compiled from reports of the Treasury Department, the Reconstruction Finance Corporation, and the Agricultural Adjustment Administration.

* Regular Federal aid includes payments for: (1) Agricultural experiment stations, (2) cooperative agricultural extension work, (3) national forests and fire prevention, (4) cooperative distribution of forest planting stock, (5) cooperative construction of rural post roads, (6) Federal-aid highway systems, (7) colleges for agriculture and mechanic arts, (8) mineral leasing act, (9) certain special funds, (10) cooperative vocational education, (11) reclamation service, (12) U. S. Employment Service, (13) State marine schools, (14) education of the blind, (15) National Guard, (16) Federal Water Power Act, (17) State and Territorial homes for disabled soldiers and sailors, and (18) social security.

* Emergency expenditures include: (1) N. R. A. highways funds, (2) F. E. R. A. grants, (3) P. W. A. grants, (4) W. P. A. grants, (5) R. F. C. disbursements for relief and work relief, and (6) P. R. A. grants.

* Includes \$6.46 per capita of United States customs, internal revenue, and income taxes collected and retained.

Federal regular and emergency expenditures for Puerto Rico and other areas, years ended June 30, 1934, 1935, and 1936¹

	Year ending June 30, 1934			Year ending June 30, 1935			Year ending June 30, 1936		
	Regular Federal aid	Emergency aid	Total ²	Regular Federal aid	Emergency aid	Total ²	Regular Federal aid	Emergency aid	Total ²
Puerto Rico:									
Direct Federal aid.....	\$210,528.79	\$7,371,201.00	\$7,581,729.79	\$404,543.06	\$11,991,678.00	\$12,396,221.06	\$1,883,385.43	\$10,098,833.55	\$11,982,218.98
Per capita.....	.12	4.32	4.44	.23	6.96	7.19	1.08	5.80	6.88
Local Federal revenue.....			3,340,741.31			3,615,224.66			4,302,359.73
Per capita.....			1.96			2.10			2.47
Grand total.....			10,922,471.10			16,011,445.72			16,284,578.71
Per capita.....			6.40			9.29			9.35
Hawaii:									
Total.....	1,074,819.98	2,227,967.00	3,302,786.98	680,733.78	3,854,013.28	4,534,747.06	1,391,136.28	3,234,433.31	4,625,569.59
Per capita.....	2.79	5.80	8.59	1.75	9.93	11.68	3.54	8.24	11.78
Alaska:									
Total.....	77,628.88	559,629.00	637,257.88	88,269.41	\$47,950.64	936,220.05	208,930.73	2,420,563.05	2,629,493.78
Per capita.....	1.27	9.18	10.45	1.44	13.78	15.22	3.37	39.04	42.41
Continental United States:									
Total.....	145,855,879.00	1,668,633,038.00	1,814,488,918.00	68,326,625.00	2,134,621,403.00	2,202,948,028.00	330,962,143.00	1,821,422,144.00	2,152,384,286.00
Per capita.....	1.15	13.18	14.33	0.54	16.74	17.28	2.58	14.18	16.76

¹ Compiled from reports of the Treasury Department. Does not include benefit payments made to individuals under the Agricultural Adjustment Administration program.

² In the case of Puerto Rico, local Federal revenue includes United States customs, internal revenue, and income taxes collected and retained in Puerto Rico.

Mr. HOOK. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I have spent the whole afternoon listening to the debate on this bill. I heard bandied about the word "Americanism this" and "Americanism that." I do not think I have to remind the East that the United States Government does not maintain a consular office in the Hawaiian Islands. It is not a foreign country. It is part and parcel of the United States just as much as Oklahoma Territory was before it became a State or just as much as New Mexico was before it became a State.

When I rise at this late hour, after listening to the splendid address of the Delegate from Hawaii [Mr. KING], what I have to say may appear more or less as an anticlimax to the arguments that may be made against any discrimination whatsoever. I come from the State of California, on the Pacific Coast. Our relations with the Hawaiian Islands group has been extremely friendly and from the economic standpoint extremely valuable.

Mr. Chairman, there is an attempt in this bill to treat the Hawaiian Islands as if they were a colony. We operate under a Constitution, as is known by all, which is a constricted document. We cannot hope under a constitutional form of government to discriminate against our possessions.

Let us take the State of Oklahoma, for instance. What would the people of that State have said before that Territory became a State, being a State that raises considerable cotton, if they were told they could process only a certain number of tons of cottonseed to make cottonseed oil? I wonder how the Alaskans would feel if they were discriminated against in a similar manner that this bill discriminates against the Hawaiian Islands.

After all, Mr. Chairman, I rise in defense of the patriotism and the truly American spirit demonstrated in the Hawaiian Islands, which I have visited. During the World War a draft act was passed and under that act the quota for the Hawaiian Islands was set at 2,403 troops. However, under the first draft act the Hawaiian Islands were not compelled to draft any soldiers for the war, because therefore there had been volunteer enlistments in the American Army of 3,479 troops.

There was a call for Liberty Loan sales in this country during the war.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LUECKE].

Mr. LUECKE of Michigan. Mr. Chairman, I was not a Member of the House at the time the Jones-Costigan Act was placed upon the statute books, but if my memory does not fail me, at that time 16 mills out of 19 in Michigan shut down; but after the enactment of the Jones-Costigan Act the greater number of those mills again began opera-

tion. The mill located in my district I think closed down for a period of 4 years.

If we do not enact this bill into law at the present time I think it would be very unfortunate. It would be breaking faith with the farmers who have gone ahead on promises and put in their crops, and drawn up contracts to deliver beets to the workers in these beet-sugar mills. I have looked this report over from beginning to end and I cannot see where the offshore areas are being discriminated against. They are left practically the same as they were in the Jones-Costigan Act.

It is said whenever an attempt is made to legislate for the benefit of any industry that great harm has resulted, usually from a disruption of the price of the product. The statistics show that since 1932 the retail price of sugar has remained between 5.4 cents per pound and 5.6 per pound, a variation of about one-fifth of a cent per pound in 4 years. That to me discloses the success of this legislation. I agree with the gentleman from Wisconsin [Mr. BOILEAU], when he said that we do not go far enough in this bill. I believe we should increase our quota so far as sugar-beet production is concerned.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS. Mr. Chairman, I have a rather short time in which to develop a whole economic point of view on this question, but that is what I have to try to do. I want to say, first, I am willing to stay with the gentleman from Oklahoma from now on in order to get legislation passed for the benefit of the farmers. I hope that legislation can be fundamental. I hope it can be based on a full production, plus a direct cost-of-production price maintenance for the farmers. If it is, it will require likewise adequate protection against imports for our staple crops—the crops of which we grow an ample supply to care for all our domestic needs.

There are a number of gentlemen in the House who have spoken many times against the idea of attempting to plan, and have criticized rather severely the attempts of this administration to plan our national economic and social life for the welfare of the common people. It is rather interesting to observe that nobody has mentioned this argument today, in spite of the fact that we have been up to our very ears here today in planning for an industry in order to try to parcel out the advantages from one group to another. I believe that what should have been said is that sugar is a special case. I am very much in accord with the opinion expressed that we should have the American market for American labor wherever American producers are able to come within gunshot of a reasonable cost of production. I think, under those circumstances, they should be protected by a tariff. However, I am thoroughly convinced that the sugar question is a special case, and I think it is being dealt

with as a special case, or we would not have a special bill for it or a town fairly bulging with lobbyists.

A few facts may illustrate what I mean, American consumers have been paying in the past 3 years over \$300,000,000 more for sugar than they would have had to pay had they bought it at the world price. In 1934 the Tariff Commission found that the total investment in sugar production and beet-sugar processing was \$700,000,000. It is interesting to compare these figures. Profits of the five largest beet refiners over a 3-year period just passed have averaged 9 percent of the total net worth of these companies.

The extra cost of sugar all comes out of American consumers. It goes partly to American refiners, partly to foreign producers and refiners, partly to great corporations producing sugar, and a little of it goes to the small-scale producing farmers of our country and the workers they hire. I believe firmly in protection against the competition of sweated foreign labor for every American industry and especially every farm crop which can economically fill the American domestic demand.

But I believe sugar is a special case. I think the gentlemen from Florida present a very good case. I think, if we must have quotas, that the size of the quota should depend primarily on how cheaply an area can furnish sugar, provided labor is properly paid in that area. I intend tomorrow to introduce an amendment which points in this direction.

It has been said that we ought to produce all our sugar in the United States itself. What I believe we ought to say is that we should produce all the sugar in the United States which can be produced at a reasonable margin above foreign costs of production—all the sugar we can produce without making of the industry a political special interest—all the sugar we can produce without levying an unjust tribute on American consumers, who are all the people. I believe the consumer has an interest in this legislation which is the only interest that has been seriously neglected.

We started planning our national economic life when the first protective tariff was passed. We have got to go on now. We will be called upon to plan more and more. But we have to be fair and consider every case on its own merits. We want America to be as nearly self-sustained as she can be made without serious economic loss. But we should be careful about building up an industry behind a great barrier of protection and production limitation when doing so means reducing production in other fields in which our Nation enjoys a greater advantage, and in which even more employment can be provided.

It is a question of weighing the gains and losses. Assertion of broad sweeping principles seem to be out of place. There is a point where the cost of protection of an industry becomes prohibitive. That is why we do not grow rubber and coffee in the United States. Has that point been reached in the case of sugar? This is the main question which needs consideration.

Mr. HOOK. Mr. Chairman, I yield to the gentleman from Montana [Mr. O'CONNOR] such time as he may desire.

Mr. O'CONNOR of Montana. Mr. Chairman, I wish to speak today about the need for Congress to pass farm legislation at this session which can help the farmers of this Nation maintain the gains which they have made under this administration. I wish to point out the real need for legislation which can be a protection for them against surpluses which, in all too short a time, can bring farmers to their knees again as they were in 1932 and in early 1933.

I come from a State where drought after drought has hit our farmers. Wheat farming is a principal source of income from crops. But in spite of the devastation which drought has wrought in Montana, I have no hesitation in saying that what the farmers of Montana want, and what I know a majority of all farmers want, is enactment of legislation which can give them protection, not only when drought is burning up their crops, but also protection against overwhelming surpluses.

Against drought damage the proposal for crop insurance, which is now pending in the House, has the almost unani-

mous approval of the farmers of Montana. I say that this is one piece of legislation that should be marked "must" by all of us. With this measure, as proposed, farmers can positively insure one-half to three-fourths of their normal yield of wheat against loss from any cause. They can do this by paying the Crop Insurance Corporation in wheat and receiving wheat back when they have losses. I ask you to consider what such a program would mean to a whole area, such as eastern Montana, where wheat yields are large in some years and almost nothing in others. Think what such a plan can mean to farmers in these areas. Think what such a plan can mean for the cities of this area. But crop insurance is more than a purely local matter. Crop insurance is as important to the manufacturing interests of the East as to the crop areas themselves. Crop insurance means stable buying power in the grain areas. It means a lessening of the load of relief. It means a stable agriculture; and as such I wish to urge that this Congress enact crop insurance into law before any adjournment is considered.

Crop insurance offers protection against scarcity, but it is not intended to meet the problem of surplus. That is the problem that all of our agriculture is going to face, sooner or later, and I fear it is going to be much sooner than later. The promise of crops for this year is abundant. Look at futures prices of corn at Chicago for the market estimate of what corn will be worth. On July 26 the July corn futures closed at 104½ cents a bushel, but the December futures closed at only 72⅞ cents a bushel. The price of oats over a good deal of the United States dropped from a farm price of 50 cents a bushel to 25 cents a bushel just as soon as farmers began threshing this year's crop. That shows what a surplus can do to farm prices. In wheat we have a very different situation, but we need only look across the Canadian border to see the reason why. Canadian crop losses from drought and dust storms are largely responsible for the high price of wheat in this country this year. But we cannot go on year after year depending upon Canadian crop failures to hold up the price of wheat. We must keep our own house in order. We must think where we will be if there is no Canadian crop failure. We must consider what year after year of two and one-half billion bushel corn crops will mean to corn prices and eventually to hog prices.

Our farmers are thinking about these things. They are looking to us to redeem the pledges of the campaign of last year to maintain the income of agriculture. I say that this administration is committed to the task of maintaining agricultural income and prosperity, and failure to enact comprehensive farm legislation at this session will be viewed by our farmers as a breach of faith. We all know the demand for such a type of legislation. The wishes of farmers have been made known by their recognized spokesmen. President Roosevelt and Secretary Wallace have repeatedly emphasized the urgency of the problem. What are we waiting for? We have been here for nearly 7 months, and we have precious little to show for these months. This is the busy season on the farm and farmers do not have time to write to us. But they are depending on us. I, for one, say that we must not fail. [Applause.]

Mr. HOOK. Mr. Chairman, I yield to the gentleman from Wyoming [Mr. GREEVER] such time as he desires.

Mr. GREEVER. Mr. Chairman and members of the Committee, the subject of sugar-beet legislation has been so fully covered during the committee hearings, which it was my pleasure to attend on a great many occasions, and during the debate in the House yesterday and today, that it seems almost useless to attempt to add anything to what has been said; but I do wish to stress the importance of the sugar-beet industry to the sugar-producing States.

In 1936 continental United States produced 26,100,000 bags of sugar. The crop for that year amounted to more than \$130,000,000. In the irrigated sections of the West, which are admirably adapted to beet raising, the sugar-beet industry constitutes the largest cash crop. During the years 1925 to 1936, inclusive, on the Shoshone project in Wyoming the average value of potatoes raised was \$76.28 per acre, while during the same period of time the average of sugar

beets produced was \$77.43 per acre. I believe that this comparison would be true in most of the irrigated sections. Sugar beets qualify as a cultivated crop recommended for successful rotation and provide valuable livestock feed, the sugar-beet industry being a valuable adjunct to the livestock business. In addition to about 3,700 pounds of sugar produced from an acre of beets, the byproducts will produce approximately 400 pounds of beef or mutton. The low-cost byproducts can be supplemented by feed crops which are grown in rotation with the beets. Beets give more than twice as much employment per acre as any other crop, and according to a study made in one county in Colorado, they return more per hour of man-labor than any other crop, namely, 94.64 cents. Employment benefits extend beyond the farm, too, in the factory pay roll and utilization of nearby materials in the sugar-manufacturing process, which adds greatly to the stability of business in the community.

Beet growers in the United States desire legislation primarily for the continuance of the sugar quota system, including benefit payments and a tax on their products for the purpose of raising revenue sufficient to pay such benefits. In his message to Congress on March 1, 1937, the President requested such legislation and recommended that the principles of the Jones-Costigan Act should be re-enacted. The quota system instituted under the Jones-Costigan Act has proven to be of tremendous benefit to the sugar growers of this country and has resulted in stabilizing this industry and making it a profitable one throughout the United States. It is a far-sighted, far-reaching policy and one which places the American sugar grower in a position whereby he will have a stabilized and profitable market, with the additional advantage of controlling the price of sugar to the extent where it will not be disastrous to the consumer.

Without exception the beet growers of my State are fully in harmony with the principle of this legislation; and, while the bill is a result of patient compromise, it presents, in my opinion, a strong and well-reasoned piece of legislation.

The charge has been made that because of restriction upon the refined-sugar quotas from Hawaii and Puerto Rico that this legislation discriminates against these two territories. In all fairness, I do not see how either Hawaii or Puerto Rico could complain in the slightest of this legislation. In 1934 Congress passed the Jones-Costigan bill which provided for a quota plan which fixed the value of other continental sugar groups and of Puerto Rico and Hawaii at near their then existing maximum levels. As I understand the Jones-Costigan legislation, it attempted insofar as possible to fix a quota not only of sugar beets and cane sugar to be grown in the continental United States and in the insular possessions, but thereby also in effect fixed the quota as to the amount which should be refined in the United States. There is no question but what Hawaii and Puerto Rico received great benefits from this bill. As a matter of fact, as a result of the bill Hawaiian sugar received benefits amounting to many millions of dollars from the bill on its quota of sugar. The same is true of Puerto Rico. As a matter of fact, the Jones-Costigan Act in establishing quota limitations on production and marketing of sugar for the continental United States did not require Hawaii to reduce her previous maximum volume of refined-sugar shipments to the continent, but limited her to that maximum. In effect exactly this same thing was done in the sugar-beet producing areas, because by limiting the quota, necessarily the manufacturing of sugar was also limited to the areas surrounding and available to the beet factories. If the sections restricting the importations of refined sugar were stricken from this bill, it would simply mean that Hawaii and Puerto Rico would be preferred over the continental United States in that regard.

This bill has been carefully worked out. The committee deserves the congratulations and the thanks of the Congress for the excellent job which they have done under the most adverse and trying conditions. The legislation is constructive and sound and I hope, with my colleagues from sugar-

producing areas, that this bill will be passed by a large majority.

It is the province of Congress to consider legislation. Threats of the veto of a bill should not deter us from what we believe to be an honest and constructive purpose. [Applause.]

Mr. JONES. Mr. Chairman, this is a technical bill. I ask unanimous consent that the reading of the bill under the 5-minute rule may be dispensed with and that amendments may be offered anywhere in the bill so long as it is under consideration. I do this in order to allow full discussion of the important amendments which will be offered.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, does the gentleman mean to say that the bill will not be read tomorrow under the 5-minute rule?

Mr. JONES. The bill will not be read, but amendments will be in order anywhere in the bill as under the 5-minute rule.

Mr. CRAWFORD. This does not affect the time at all?

Mr. JONES. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the Sugar Act of 1937.

TITLE I. DEFINITIONS

SECTION 101. For the purposes of this act, except title IV—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars which are principally of crystalline structure and which are to be further refined or improved in quality, and any sugars which are principally not of crystalline structure but which are to be further refined or otherwise improved in quality to produce any sugars principally of crystalline structure.

(e) The term "direct-consumption sugar" means any sugars which are principally of crystalline structure and which are not to be further refined or otherwise improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of sirup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain soluble nonsugar solids (excluding any foreign substances that may have been added) equal to 6 percent or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) The "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing 96 sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing 92 or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07.

(2) For sugar derived from sugarcane and testing 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93.

(3) For sugar derived from sugarcane and testing more than 92 sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above 92°.

(4) For sugar and liquid sugar testing less than 92 sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972.

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection (h).

(i) The term "total sugar content" means the sum of the sucrose (Clerget) and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year from the Territory of Hawaii, Puerto Rico, the Virgin Islands, the Commonwealth of the Philippine Islands, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or

sugarcane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in the Territory of Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

TITLE II. QUOTA PROVISIONS

SECTION 201. The Secretary shall determine for each calendar year the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and changes in consumption, as computed from statistics published by agencies of the Federal Government with respect to inventories of sugar, population, and demand conditions; and in order that the regulation of commerce provided for under this act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in average prices to consumers in excess of those necessary to make the production of sugar beets and sugarcane as profitable on the average, per dollar of total gross income, as the production of the five principal (measured on the basis of acreage) agricultural cash crops in the United States.

SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

(a) For domestic sugar-producing areas by prorating among such areas 55.59 percent of such amount of sugar (but not less than 3,715,000 short tons) on the following basis:

Area	Percent
Domestic beet sugar	41.72
Mainland cane sugar	11.31
Hawaii	25.25
Puerto Rico	21.48
Virgin Islands	.24

(b) For foreign countries, and the Commonwealth of the Philippine Islands, by prorating 44.41 percent of such amount of sugar (except, if such amount of sugar is less than 6,682,670 short tons, the excess of such amount over 3,715,000 short tons), on the following basis:

Area	Percent
Commonwealth of the Philippine Islands	34.70
Cuba	64.41
Foreign countries other than Cuba	.89

The quota for foreign countries other than Cuba shall be prorated among such countries on the basis of the division of the quota for such countries made in General Sugar Quota Regulations, Series 4, No. 1, issued December 12, 1936, pursuant to the Agricultural Adjustment Act, as amended.

SEC. 203. In accordance with the applicable provisions of section 201, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

SEC. 204. (a) The Secretary shall, as he deems necessary during the calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any domestic area, the Commonwealth of the Philippine Islands, or Cuba, will be unable to market the quota for such area. If the Secretary finds that any domestic area or Cuba will be unable to market the quota for such area for the calendar year then current, he shall revise the quotas for the domestic areas and Cuba by prorating an amount of sugar equal to the deficit so determined to the other such areas, on the basis of the quotas then in effect. Any portion of such sugar which the Secretary determines cannot be supplied by domestic areas and Cuba shall be prorated to foreign countries other than Cuba on the basis of the prorations of the quota then in effect for such foreign countries. If the Secretary finds that the Commonwealth of the Philippine Islands will be unable to market the quota for such area for the calendar year then current, he shall revise the quota for foreign countries other than Cuba by prorating an amount

of sugar equal to the deficit so determined to such foreign countries, on the basis of the prorations of the quota then in effect for such countries: *Provided, however*, That the quota for any domestic area, the Commonwealth of the Philippine Islands, or Cuba or other foreign countries, shall not be reduced by reason of any determination made pursuant to the provisions of this subsection.

(b) If, on the 1st day of September in any calendar year, any part or all of the proration to any foreign country of the quota in effect on the 1st day of July in the same calendar year for foreign countries other than Cuba, has not been filled, the Secretary may revise the proration of such quota among such foreign countries, by prorating an amount of sugar equal to such unfilled proration to all other such foreign countries which have filled their prorations of such quota by such date, on the basis of the prorations then in effect.

SEC. 205. (a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this act, is necessary to assure an orderly and adequate flow of sugar or liquid sugar in the channels of interstate or foreign commerce, or to prevent disorderly marketing or importation of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by allotting to persons who market or import sugar or liquid sugar, for such periods as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, the Territory of Hawaii, or Puerto Rico, or may import or bring into continental United States, for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302, pertained; the past marketings or importations of each such person; or the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made.

(b) An appeal may be taken, in the manner hereinafter provided, from any decision making such allotments, or revision thereof, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any allotment made to him.

(c) Such appeal shall be taken by filing with said court within 20 days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than 10 days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within 30 days after the filing of said appeal the Secretary shall file with the court the originals or certified copies of all papers and evidence presented to him upon the hearing involved and also a like copy of his decision thereon and shall within 30 days thereafter file a full statement in writing of the facts and grounds for his decision as found and given by him and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

(d) Within 30 days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under

section 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, sec. 347), by appellant, by the Secretary, or by any interested party intervening in the appeal.

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

(g) The Government of the Commonwealth of the Philippine Islands shall make allotments of any quota established for it pursuant to the provisions of this act on the basis specified in section 6 (d) of Public Law No. 127, approved March 24, 1934.

Sec. 206. Until sugar quotas are established pursuant to this act for the calendar year 1937, which shall be within 60 days after its enactment, the quotas determined by the Secretary in General Sugar Quota Regulations, series 4, no. 1, issued December 12, 1936, pursuant to the provisions of the Agricultural Adjustment Act, as amended, shall remain in full force and effect.

Sec. 207. (a) Not more than 29,616 short tons, raw value, of the quota for Hawaii for any calendar year may be filled by direct-consumption sugar.

(b) Not more than 126,033 short tons, raw value, of the quota for Puerto Rico for any calendar year may be filled by direct-consumption sugar.

(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

(d) Not more than 80,214 short tons, raw value, of the quota for the Commonwealth of the Philippine Islands for any calendar year may be filled by direct-consumption sugar.

(e) Not more than 375,000 short tons, raw value, of the quota for Cuba for any calendar year may be filled by direct-consumption sugar.

(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

Sec. 208. Quotas for liquid sugar for foreign countries for each calendar year are hereby established as follows:

Country	In terms of wine gallons of 75 percent total sugar content
Cuba.....	7,970,553
Dominican Republic.....	830,894
Other foreign countries.....	0

The quantities of liquid sugar imported into the continental United States during the calendar year 1937, prior to the enactment of this act, shall be charged against the quotas for the calendar year 1937 established by this section.

Sec. 209. All persons are hereby prohibited—

(a) From bringing or importing into the continental United States from the Territory of Hawaii, Puerto Rico, the Virgin Islands, the Commonwealth of the Philippine Islands, or foreign countries any sugar or liquid sugar after the quota for such area, or the proration of any such quota, has been filled;

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland-cane-sugar area after the quota for such area has been filled;

(c) From marketing in either the Territory of Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

(d) From exceeding allotments of any quota or proration thereof made to them pursuant to the provisions of this act.

Sec. 210. (a) The determinations provided for in sections 201 and 203, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208, shall be made or established in terms of raw value.

(b) For the purposes of this title, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 and in the establishment or revision of quotas, prorations, and allotments.

Sec. 211. (a) The raw-value equivalent of any sugar or liquid sugar in any form, including sugar or liquid sugar in manufactured products, exported from the continental United States under the provisions of section 313 of the Tariff Act of 1930 shall be credited against any charges which shall have been made in respect to the applicable quota or proration for the country of origin. The country of origin of sugar or liquid sugar in respect to which any credit shall be established shall be that country in respect to importation from which drawback of the exported sugar or liquid sugar has been claimed. Sugar or liquid sugar entered into the continental United States under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

(b) Exportation within the meaning of sections 309 and 313 of the Tariff Act of 1930 shall be considered to be exportation within the meaning of this section.

(c) The quota established for any domestic-sugar producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area: *Provided, however*, That any sugar or liquid sugar admitted free of duty from the Virgin Islands under the act of Congress, approved March 3, 1917

(39 Stat. 1133), may be admitted within the quota for the Virgin Islands.

Sec. 212. The provisions of this title shall not apply to (1) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year; (2) the first 10 short tons, raw value, of sugar or liquid sugar imported from any foreign country, other than Cuba, in any calendar year for religious, sacramental, educational, or experimental purposes; (3) liquid sugar imported from any foreign country, other than Cuba, in individual sealed containers of such capacity as the Secretary may determine, not in excess of 1.1 gallons each; or (4) any sugar or liquid sugar imported, brought into, or produced or manufactured in the United States for the distillation of alcohol, or for livestock feed, or for the production of livestock feed.

TITLE III—CONDITIONAL-PAYMENT PROVISIONS

SECTION 301. The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

(a) That no child under the age of 14 years shall have been employed or permitted to work on the farm, whether for gain to such child or any other person, in the production, cultivation, or harvesting of a crop of sugar beets or sugarcane with respect to which application for payment is made, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed; and that no child between the ages of 14 and 16 years shall have been employed or permitted to do such work, whether for gain to such child or any other person, for a longer period than 8 hours in any one day, except a member of the immediate family of a person who was the legal owner of not less than 40 percent of the crop at the time such work was performed.

(b) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however*, That a payment which would be payable except for the foregoing provisions of this subsection may be made, as the Secretary may determine, in such manner that the laborer will receive an amount, insofar as such payment will suffice, equal to the amount of the accrued unpaid wages for such work, and that the producer will receive the remainder, if any, of such payment.

(c) That there shall not have been marketed (or processed) an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, as determined by the Secretary pursuant to the provisions of section 302, of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carry-over inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(d) That the producer on the farm who is also, directly or indirectly, a processor of sugar beets or sugarcane, as may be determined by the Secretary, shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

(e) That there shall have been carried out on the farm such farming practices in connection with the production of sugar beets and sugarcane during the year in which the crop was harvested with respect to which a payment is applied for, as the Secretary may determine, pursuant to this subsection, for preserving and improving fertility of the soil and for preventing soil erosion, such practices to be consistent with the reasonable standards of the farming community in which the farm is situated.

The conditions provided in subsection (a) and in subsection (b) with respect to wage rates, of this section shall not apply to work performed prior to the enactment of this act; and the condition provided in subsection (c) of this section shall not apply to the marketing of the first crop harvested after the enactment of this act from sugar beets or sugarcane planted prior to such enactment.

Sec. 302. (a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carry-over inventory) estimated by the Secretary for such area for the calen-

dar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugar beets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar and the ability to produce such sugar beets or sugarcane, and the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interests of producers who are cash tenants, share-tenants, adherent planters, or share-croppers.

(c) Payments shall be effective with respect to sugar or liquid sugar commercially recoverable from sugar beets and sugarcane grown on a farm and which shall have been marketed (or processed by the producer) on and after July 1, 1937.

SEC. 303. In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302, the Secretary is also authorized to make payments, on the conditions provided in section 301, with respect to bona-fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing area, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respect to such bona-fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 percent of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

SEC. 304. (a) The amount of the base rate of payment shall be 60 cents per hundred pounds of sugar or liquid sugar, raw value.

(b) All payments shall be calculated with respect to a farm which, for the purposes of this act, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management, and other pertinent factors.

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reductions shall be made from such total payment in accordance with the following scale of reductions:

Reduction in the base rate of payment per hundredweight of such portion

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value:	
500 to 1,500.....	\$0.050
1,500 to 6,000.....	.075
6,000 to 12,000.....	.100
12,000 to 30,000.....	.125
30,000 to 50,000.....	.300
More than 50,000.....	.450

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percent of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. In carrying out the provisions of titles II and III of this act the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. The facts constituting the basis for any payment, or the amount thereof authorized to be made under this title, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. This title shall apply to the continental United States, the Territory of Hawaii, and Puerto Rico.

TITLE IV. EXCISE TAXES WITH RESPECT TO SUGAR DEFINITIONS

SECTION 401. For the purposes of this title—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "manufactured sugar" means any sugar derived from sugar beets or sugarcane, which is not to be, and which shall not be, further refined or otherwise improved in quality; except sugar in liquid form which contains nonsugar solids (excluding any foreign substance that may have been added) equal to more than 6 percent of the total soluble solids, and except also sirup of cane juice produced from sugarcane grown in continental United States. Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of its nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar.

The grades or types of sugar within the meaning of this definition shall include, but shall not be limited to, granulated sugar, lump sugar, cube sugar, powdered sugar, sugar in the form of blocks, cones, or molded shapes, confectioners' sugar, washed sugar, centrifugal sugar, clarified sugar, turbinado sugar, plantation white sugar, muscovado sugar, refiners' soft sugar, invert sugar mush, raw sugar, sirups, molasses, and sugar mixtures.

(c) The term "total sugars" means the total amount of the sucrose (Clerget) and of the reducing or invert sugars. The total sugars contained in any grade or type of manufactured sugar shall be ascertained in the manner prescribed in paragraphs 758, 759, 762, and 763 of the United States Customs Regulations (1931 edition).

(d) The term "United States" shall be deemed to include the States, the Territories of Hawaii and Alaska, the District of Columbia, and Puerto Rico.

TAX ON THE MANUFACTURE OF SUGAR

SEC. 402. (a) Upon manufactured sugar manufactured in the United States, there shall be levied, collected, and paid a tax, to be paid by the manufacturer at the following rates:

(1) On all manufactured sugar testing by the polariscope 92 sugar degrees, 0.465 cent per pound, and for each additional sugar degree shown by the polariscopic test, 0.00875 cent per pound additional, and fractions of a degree in proportion;

(2) On all manufactured sugar testing by the polariscope less than 92 sugar degrees, 0.5144 cent per pound of the total sugars therein.

(b) Any person who acquires any sugar which is to be manufactured into manufactured sugar but who, without further refining or otherwise improving it in quality, sells such sugar as manufactured sugar or uses such sugar as manufactured sugar in the production of other articles for sale shall be considered for the purposes of this section the manufacturer of manufactured sugar and, as such, liable for the tax hereunder with respect thereto.

(c) The manufacturer shall file on the last day of each month a return and pay the tax with respect to manufactured sugar manufactured after the effective date of this title (1) which has been sold, or used in the production of other articles, by the manufacturer during the preceding month (if the tax has not already been paid) and (2) which has not been so sold or used within 12 months ending during the preceding calendar month, after it was manufactured (if the tax has not already been paid): *Provided,* That the first return and payment of the tax shall not be due until the last day of the second month following the month in which this title takes effect.

For the purpose of determining whether sugar has been sold or used within 12 months after it was manufactured sugar shall be considered to have been sold or used in the order in which it was manufactured.

(d) No tax shall be required to be paid upon the manufacture of manufactured sugar by, or for, the producer of the sugar beets or sugarcane from which such manufactured sugar was derived, for consumption by the producer's own family, employees, or household.

IMPORT COMPENSATING TAX

SEC. 403. (a) In addition to any other tax or duty imposed by law, there shall be imposed, under such regulations as the Commissioner of Customs shall prescribe, with the approval of the Secretary of the Treasury, a tax upon articles imported or brought into the United States as follows:

(1) On all manufactured sugar testing by the polariscope 92 sugar degrees, 0.465 cent per pound, and for each additional sugar degree shown by the polariscopic test, 0.00875 cent per pound additional, and fractions of a degree in proportion;

(2) On all manufactured sugar testing by the polariscope less than 92 sugar degrees 0.5144 cent per pound of the total sugars therein;

(3) On all articles composed in chief value of manufactured sugar 0.5144 cent per pound of the total sugars therein.

(b) Such tax shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930, and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that for the purposes of sections 336 and 350 of such act (the so-called flexible-tariff and trade-agreements provisions) such tax shall not be considered a duty or import restriction, and except that no preference with respect to such tax shall be accorded any articles imported or brought into the United States.

EXPORTATION, LIVESTOCK FOOD, AND DISTILLATION

SEC. 404. (a) Upon the exportation from the United States to a foreign country, or the shipment from the United States to any possession of the United States except Puerto Rico, of any manufactured sugar, or any article manufactured wholly or partly from manufactured sugar, with respect to which tax under the

provisions of section 402 has been paid, the amount of such tax shall be paid by the Commissioner of Internal Revenue to the consignor named in the bill of lading under which the article was exported or shipped to a possession, or to the shipper, if the consignor waives any claim thereto in favor of such shipper: *Provided*, That no such payment shall be allowed with respect to any manufactured sugar, or article, upon which, through substitution or otherwise, a drawback of any tax paid under section 403 has been or is to be claimed under any provisions of law made applicable by section 403.

(b) Upon the use of any manufactured sugar, or article manufactured therefrom, as livestock feed, or in the production of livestock feed, or for the distillation of alcohol, there shall be paid by the Commissioner of Internal Revenue to the person so using such manufactured sugar, or article manufactured therefrom, the amount of any tax paid under section 402 with respect thereto.

(c) No payment shall be allowed under this section unless within 1 year after the right to such payment has accrued a claim therefor is filed by the person entitled thereto.

COLLECTION OF TAXES

SEC. 405. (a) Except as otherwise provided, the taxes imposed by this title shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties, applicable with respect to the taxes imposed under title IV of the Revenue Act of 1932, shall, insofar as applicable and not inconsistent with the provisions of this title, be applicable in respect to the tax imposed by section 402. If the tax is not paid when due, there shall be added as part of the tax interest at 6 percent per annum from the date the tax became due until the date of payment.

(c) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe such rules and regulations as may be necessary to carry out all provisions of this title except section 403.

(d) Any person required, pursuant to the provisions of section 402, to file a return may be required to file such return with and pay the tax shown to be due thereon to the collector of internal revenue for the district in which the manufacturing was done or the liability incurred.

EFFECTIVE DATE

SEC. 406. The provisions of this title shall become effective on the date of enactment of this act.

TITLE V. GENERAL PROVISIONS

SECTION. 501. For the purposes of this act, except title IV, the Secretary shall—

(a) Appoint and fix the compensation of such officers and employees as he may deem necessary in administering the provisions of this act: *Provided*, That all such officers and employees, except attorneys, economists, experts, and persons in the employ of the Department of Agriculture on the date of the enactment of this act, shall be subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended: *And provided further*, That no salary in excess of \$10,000 per annum shall be paid to any such person.

(b) Make such expenditures as he deems necessary to carry out the provisions of this act, including personal services and rents in the District of Columbia and elsewhere, traveling expenses (including the purchase, maintenance, and repair of passenger-carrying vehicles), supplies and equipment, lawbooks, books of reference, directories, periodicals, and newspapers.

SEC. 502. (a) There is hereby authorized to be appropriated for each fiscal year for the purposes and administration of this act, except for allotments in the Philippine Islands as provided in subsection (g) of section 205, a sum not to exceed \$55,000,000.

(b) All funds available for carrying out this act shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this act.

SEC. 503. There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under title IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to December 31, 1940, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands.

SEC. 504. The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this act. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this act shall, upon conviction, be punished by a fine of not more than \$100 for each such violation.

SEC. 505. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this act or any order or regulation made or issued pursuant to this

act. If and when the Secretary shall so request, it shall be the duty of the several district attorneys of the United States in their respective districts to institute proceedings to enforce the remedies and to collect the penalties and forfeitures provided for in this act. The remedies provided for in this act shall be in addition to, and not exclusive of, any of the remedies or penalties existing at law or in equity.

SEC. 506. Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 have been filled, shall forfeit to the United States the sum equal to three times the market value at the time of the commission of any such, (a) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (b) of that quantity brought or imported into the continental United States after the quantities specified in section 207 have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

SEC. 507. All persons engaged in the manufacturing, marketing, or transportation of sugar or liquid sugar, and having information which the Secretary deems necessary to enable him to administer the provisions of this act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information, or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than \$1,000 for each such violation.

SEC. 508. No person shall, while acting in any official capacity in the administration of this act, invest or speculate in sugar or liquid sugar, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sugar or liquid sugar. Any person violating this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than 2 years, or both.

SEC. 509. Whenever the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation of title II or III above, which he determines, on the basis of such findings, should be suspended, and, thereafter, the operation of any such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

SEC. 510. The provisions of the Agricultural Adjustment Act, as amended, shall cease to apply to sugar upon the enactment of this act, and the provisions of Public Resolution No. 109, Seventy-fourth Congress, approved June 19, 1936, are hereby repealed.

SEC. 511. In order to facilitate the effectuation of the purposes of this act, the Secretary is authorized to make surveys, investigations, including the holding of public hearings, and to make recommendations with respect to (a) the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane and (b) the terms and conditions of contracts between laborers and producers of sugar beets and sugarcane.

SEC. 512. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this act and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this act.

SEC. 513. No tax shall be imposed on the manufacture, use, or importation of sugar after December 31, 1940, and the powers vested in the Secretary under this act shall terminate on such date, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1940 and previous crop years.

With the following committee amendments:

On page 24, in the table between lines 2 and 3, strike out "30,000 to 50,000" and insert in lieu thereof "more than 30,000", and strike out the last line of the table.

On page 26, line 8, after the period, insert the following:

"Notwithstanding the foregoing exceptions, sugar in liquid form (regardless of the nonsugar solid content) which is to be used in the distillation of alcohol shall be considered manufactured sugar."

On page 29, line 20, strike out the comma following the word "exportation" and the words "livestock feed, and distillation", and insert in lieu thereof the words "and livestock feed."

On page 30, line 14, strike out "or for the distillation of alcohol."

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7667) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic

sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COCHRAN (at the request of Mr. NELSON), until Monday.

To Mr. DEMPSEY (at the request of Mr. GREEVER), for today, on account of illness.

To Mr. O'CONNOR of New York, on account of illness.

To Mr. TOWEX, for tomorrow, on account of attending funeral of Hon. Frederick Lehlbach.

EXTENSION OF REMARKS

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill H. R. 7667, which has been under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. JONES. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand from the majority leader there will be no further business considered at the completion of the consideration of the sugar bill.

Mr. RAYBURN. The gentleman is correct.

Mr. MARTIN of Massachusetts. Is it further proposed to adjourn over at that time until Monday?

Mr. RAYBURN. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the legislative program for the day and following any special orders heretofore entered, I may address the House for 5 minutes on the subject of transient relief in California.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. KING. Mr. Speaker, I ask unanimous consent to insert two tables in the remarks I made today in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein a letter from the Flood Control Commission of the State of New Hampshire with reference to the flood-control compacts which are now pending in the House.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered over the radio by my colleague, the gentleman from Kansas [Mr. LAMBERTSON].

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a speech I made yesterday at Gettysburg.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with regard to the sugar legislation, and include therein certain tables from Labor Statistics.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WAGE AND HOUR LEGISLATION

The SPEAKER. Under a previous special order, the gentleman from Pennsylvania [Mr. SWOPE] is recognized for 20 minutes.

Mr. SWOPE. Mr. Speaker and Members of the House, wage and hour legislation, in line with the Black-Connery bill, presents three questions to the Congress and the American people:

First. Is such legislation constitutional?

Second. Is there a need for it?

Third. Will it accomplish the hoped-for results?

In view of the broad, elastic features of the Constitution of the United States and recent decisions of the United States Supreme Court on social legislation, there are few who would hold that wage and hour legislation is unconstitutional.

When countless people are working for insignificant wages as low as \$5 per week and less, some even almost within the shadow of our State capitol dome at Harrisburg, it is time that those charged with the responsibility of looking after the affairs of our Government should concern themselves with this problem. Millions of people are forced to exist on a level which most of us would consider way below even the minimum standard of existence. This deplorable condition holds within it the seeds of grave trouble for the American people and the Nation in the future. For a large part of our people to continue under a substandard of existence is bound to breed evils which will eventually be inimical to our form of government.

Much has been said about the causes which brought about dictatorships in some of the great European nations. A most casual study of the situations existing in those countries immediately prior to the establishment of dictatorships shows that in all instances a great percentage of the people of those nations were forced to exist upon the most meager material resources, and it was only after the people of those nations felt that the then government held no hope for their future betterment that dictatorships became possible.

Again, by permitting this large portion of our population to live in such a restricted manner prevents us from the high development of our own domestic production and distribution.

It is true that legislation of such far-reaching consequences, when applied to such a vast nation as ours, presents great difficulties of administration. But since when have the American people shrunk from daring to do new and difficult things? It would be possible to recount innumerable cases in which the genius, inventive mind, and capability of the American people have accomplished what were considered impossible tasks.

Unemployment is not a modern phenomenon. It has been known throughout the civilized world from the early days of the human race. In ancient times the solution for unemployment frequently consisted of the conquest of neighboring tribes and countries and the subjugation and frequently the extermination of their peoples, thus making room for colonization to be undertaken by the citizens of the conquering race.

During the Middle Ages the "black death" swept over European countries and killed a large proportion of their working population. This resulted in a scarcity of labor and for a long period solved the problems of unemployment. In the United States there have been recurring periods when unemployment was a grave problem. However, until recent years the progressive conquest of our own frontier made possible the solution of this economic problem. With the recent depression we experienced unemployment to a greater degree than ever before in the Nation's history. Because there is no further American frontier to conquer the problem persists, even though we have practically emerged from the

depression and resumed a period of prosperity so far as industrial production and income are concerned.

This problem is not confined to our own country but is of world-wide proportions. Most nations have undertaken its solution through national planning and legislation. In this country the enactment of N. R. A. was an emergency attempt to solve unemployment. Fashionable as it has recently been to malign and belittle the accomplishments of N. R. A., I want to state, as one who was engaged in active business management in 1933, that the wage and hour provisions of that act were definitely responsible for marking the turning point in our rapidly and spiralling unemployment toward more general employment. I would not for a moment intimate that I would desire to resume N. R. A. with its vast complexities and innumerable business codes as it existed after the voluble General Johnson got through with it. I maintain that the American people's estimate of N. R. A. declined not on account of its wage and hour provisions but because of the fact that business generally—and big business specifically—wrote into the codes of fair practice improper and unworkable business practices.

When we realize that millions of our citizens are still unable to obtain regular employment and that other millions are forced to take employment at shamefully low wages, we must all agree that the need for some solution is definitely evident. A large percentage of our people are forced to exist upon such a low standard that denial of all but the barest necessities is forced upon it. Selfish employers refuse to recognize any social responsibility with respect to those whose services they hire. Throughout my district I can point to scores of establishments which employ people at wages so low that the employees are unable to keep up even a decent standard of self-respect. It is these millions of American citizens who by the very nature of things are practically inarticulate, for whom we as Members of Congress must legislate. They have no high-priced legislative representatives in Washington. They have no powerful newspapers to speak for them. They have no opportunity to describe their needs over the radio. They have no powerful labor organizations through which they can speak with a unified voice. But they are nevertheless part and parcel of our economic and national existence. If we would preserve the hopes and ideals of the Republic, as expressed by our founding fathers in the Declaration of Independence and the Constitution, we as legislators must concern ourselves with their problems and find the solution.

More than anything else, to my mind, was the large vote for President Roosevelt in 1932 and the much larger vote in 1936, an expression of the hopes and aspirations of these millions. Because this vote placed in power a national Democratic administration with an unprecedented party majority in both Houses of the Congress, my party has a definite responsibility to exert every effort and exhaust every avenue toward establishment of a program which will lead to the realization of the hopes of this great mass of our people.

In examining the last question involved it is admitted that there exists a difference of opinion as to the results which are hoped to be attained. But I think this difference of opinion is represented by the economic philosophy of two distinct schools of thought. Many of us have lived long enough to experience times when the production and distribution of goods—and consequently also price levels—stood at a high figure. Then again we have lived through times when price levels were at a low figure, with a consequent decline in production and distribution. I believe that the vast majority of our people prefer to live under the former conditions. Of course, all of these benefits cannot be obtained for the people in the low-income brackets without a rise in the cost of living. But I refer again to the comparison between so-called good times and poor times.

We should not be too much disturbed about the immediate effects of such legislation upon any particular part of our Nation. We must, of course, insist that the administration of this proposed law shall be handled with a maximum of understanding and consideration for the problems of all sec-

tions of our country. If we can raise the standard of living of millions of our people—and I consider it an absolute duty of the Government to be concerned about this—we shall increase the demands and requirements for goods so that all sections of our country will be stimulated thereby, and I believe we will hear very little about overproduction of basic commodities after we have, through experience, learned how to operate this new system wisely.

But I hear sincere opponents of this type of legislation say, "It can't be done; a program of such magnitude cannot be undertaken by the United States Government."

The troubles which have constantly beset the human race throughout the ages have challenged the resourcefulness and intelligence of the leaders of thought. Men whose names stand out in history are not those who were timid and subscribed to the "it can't be done" theory. Benjamin Franklin, starting with accidental experimentation, discovered natural principles which have been converted into one of the greatest servants that mankind has ever seen—the application of electricity to human uses. We are today but on the threshold of an era which will see a presently unbelievable increase in the scope of the use of electricity to perform our labors which formerly needed manual application. Robert Fulton, when he proposed to harness the steam engine to ships, was ridiculed and laughed to scorn. Today, just slightly more than a century after his experiments, we have great ocean liners with palatial appointments which could not have been dreamed of several years ago. The Wright brothers when they proposed to fly a machine heavier than air were considered slightly "balmy." Their experiments were made within the lifetime of almost every Member of this House, and today we have large air liners which fly across our continent practically overnight. Our oceans are being spanned in regular passenger service. Daring aviators have recently flown across the North Pole from one continent to another. The Wright brothers—and all their brave and courageous successors—never for a moment believed that "it couldn't be done."

The discovery and invention of the telegraph, the telephone, and the wireless provide other outstanding examples of the accomplishments possible when men have confidence in their ability and courage to dare to do the unknown or impossible.

Galileo, when he announced his theory of the orderly scheme of the universe, was forced to recant and even then lost his life for the courage of his belief. We enjoy in the New World a free civilization because Columbus dared to venture on a project which was considered foolhardy and impossible by his more conservative contemporaries.

Oh, but I hear someone talking about the danger in setting aside natural economic laws. I have for years endeavored to find out just what the phrase "natural economic laws" means. Through personal observation, I am forced to conclude that many of our industrial overlords who cry loudest on this point have always striven for their own selfish benefit to erect laws that were neither natural nor economic.

Mr. Speaker and Members of the House, the human race has from its earliest days been busy setting aside so-called natural economic laws. Almost every successful effort which we have made to raise ourselves above and distinguish ourselves from the mere animal has been through the promulgation of man-made laws which had for their purpose the setting aside of natural economic laws.

We have debated today the new sugar bill, brought in by the Committee on Agriculture to succeed the Jones-Costigan law. The most serious difficulty with this bill has been the necessity of trying to protect, so far as possible, all the various interests which have a right to be considered in writing its provisions through setting aside the ordinary operation of natural economic laws. Our splendid efforts on behalf of American agriculture represent another example. The stupendous reclamation projects upon which we have acted represent another. In fact, almost every day since I entered Congress last January we have been engaged

in discussing measures with which we desire to improve the condition of our people through legislative interference with natural economic laws.

Most of the arguments against the passage of wage and hour legislation are familiar. They can be traced through the CONGRESSIONAL RECORD at every period when Congress undertook to legislate for the betterment of labor conditions and to lift the burden from the shoulders of the common man. I say that the Government has a responsibility here which it should not shirk. It is for us to set the example which can be pointed to with pride by our people.

In 1892 Congress passed an 8-hour law with reference to Government construction. Several years ago Congress enacted the Bacon-Davis law requiring compliance with certain labor standards on the part of Government contractors, and just last year the final passage of the Walsh-Healey Act, setting up labor and wage standards for successful bidders to supply Government materials brought out these same shopworn arguments. I have been officially told that the Walsh-Healey law is being applied with a minimum of trouble and friction. All of the dire consequences which were predicted if the act should pass have failed to materialize. The administration of the provisions of the act require a relatively small appropriation, only \$335,000 having been provided for this fiscal year, and I believe the organization is not set up on nearly a large enough scale at present to consume that amount.

Of course, I want the least possible delegation of power to an administrative board. It is understood that the Labor Committee of this House is bringing in a bill which it is claimed will improve upon the bill passed by the Senate with respect to these provisions. I also hear that safeguards are included for the proper protection of collective bargaining agreements.

Mr. Speaker and Members, I am not here to insist upon a specific formula to be written into this bill. What I do say—most emphatically—is that we should agree upon underlying principles, and then work out a program based on such principles with the greatest tolerance, respect, and consideration for the fundamental needs of the various sections of our country and the various groups of our citizens that are to be affected. Years ago I read a beautiful phrase which I believe is familiar to most of you. It is, "Principles unite men; programs divide them." It is true that we, as a Congress, cannot stop with the enunciation of principles. We are also specifically charged with the necessity of working out programs. But I maintain that if we can agree upon principles it will be far easier to work out programs. The possibility of working out a satisfactory law for wages and hours will be enhanced if we merge our individual opinions fairly and frankly and give each to the other the benefit of sincerity of purpose and high motive.

We hear much about who is for this plan or who is against it. In the final analysis such statements can only be used as guides to determine the greatest good for the greatest number. I venture to state that the President of the United States, when he tells us of the necessity for such legislation, is speaking the wish of the American people. Let us adopt this legislation, not only because he asks us to; not because some labor leader asks us to; not because some other labor leader asks us not to do so; not because some industrialist inveighs against it; not for any reason except that by which we come through the exercise of our own intelligence and our sure knowledge that such a measure will be a step in the right direction toward a solution of some of our economic ills brought about by wide unemployment. [Applause.]

The SPEAKER. The gentleman from Pennsylvania [Mr. DITTER] is also entitled to address the House for 15 minutes, but the gentleman has informed the Chair that it is not his purpose to exercise this privilege.

EXTENSION OF REMARKS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LANZETTA], who spoke

on the sugar bill in the Committee of the Whole, may be permitted to include in his remarks some tables to which he referred in the course of his address.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 7472. An act to provide revenue for the District of Columbia, and for other purposes.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 191. An act for the relief of Orson Thomas;

S. 449. An act for the relief of the estate of Charles Pratt;

S. 792. An act for the relief of Margaret Larson, a minor;

S. 893. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Jack Wade, Perry Shilton, Louie Hess, Owen Busch, and William W. McGregor;

S. 972. An act for the relief of Ethel Smith McDaniel;

S. 1047. An act to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes;

S. 1379. An act to authorize the Five Civilized Tribes, in suits heretofore filed under their original Jurisdictional Acts, to present claims to the United States Court of Claims by amended petitions to conform to the evidence; and to authorize said court to adjudicate such claims upon their merits as though filed within the time limitation fixed in said original Jurisdictional Acts;

S. 1401. An act for the relief of Willard Collins;

S. 1453. An act for the relief of Maude P. Gresham and Agnes M. Driscoll;

S. 1935. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of disbursing officers or agents of the Government for payments made pursuant to certain adjustments and increases in compensations of Government officers and employees; and

S. J. Res. 171. Joint resolution relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 114. An act to provide for studies and plans for the development of a hydroelectric power project at Cabinet Gorge, on the Clark Fork of the Columbia River, for irrigation pumping or other uses, and for other purposes; and

H. R. 7373. An act to aid the several States in making, or having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, August 6, 1937, at 11 o'clock a. m.

COMMITTEE HEARING

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., Tuesday, August 10, 1937, at 10 a. m.,

on H. R. 8080, a bill to establish a fund for the insurance of mortgages securing loans for the construction or reconditioning of floating property used for commercial purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

778. A letter from the chairman, Joint Committee on Tax Evasion and Avoidance, transmitting report of the Joint Committee on Tax Evasion and Avoidance of the Congress of the United States pursuant to Public Resolution No. 40, Seventy-fifth Congress; to the Committee on Ways and Means and ordered to be printed.

779. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 4, 1937, submitting a report, together with accompanying papers on a preliminary examination of Ohio River below Ironton, Ohio, with a view to the construction of dam, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 300. Resolution providing for the consideration of H. R. 6963; without amendment (Rept. No. 1442). Referred to the House Calendar.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 287. Resolution authorizing the Committee on the Judiciary to investigate various practices in the inferior courts of the United States, and for other purposes; without amendment (Rept. No. 1443). Referred to the House Calendar.

Mr. GREENWOOD: Committee on Rules. House Resolution 301. Resolution providing for the consideration of H. R. 8046; without amendment (Rept. No. 1444). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. H. R. 8136. A bill authorizing retirement annuities for certain Librarians of Congress; without amendment (Rept. No. 1445). Referred to the Committee of the Whole House on the state of the Union.

Mr. FERGUSON: Committee on Irrigation and Reclamation. H. R. 3786. A bill providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming; without amendment (Rept. No. 1446). Referred to the Committee of the Whole House on the state of the Union.

Mr. IGLESIAS: Committee on Agriculture. H. R. 7908. A bill to extend the benefits of section 21 of the Bankhead-Jones Act to Puerto Rico; without amendment (Rept. No. 1447). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. S. 1375. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; with amendment (Rept. No. 1448). Referred to the House Calendar.

Mr. SHEPPARD: Committee on Indian Affairs. H. R. 8026. A bill to authorize the Secretary of the Interior to lease or sell certain lands of the Agua Caliente or Palm Springs Reservation, Calif., for public airport use, and for other purposes; with amendment (Rept. No. 1449). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 574) granting a pension to Susan Melugin, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER: A bill (H. R. 8160) to provide for the establishment and maintenance of a regional research laboratory for the development of industrial uses for agricultural products; the first unit to be devoted to the development of industrial uses for cotton and cotton products; additional units to be provided for the study of other crops as additional funds are provided; to the Committee on Agriculture.

By Mr. COLLINS: A bill (H. R. 8161) to provide relief for the American farmers for the fiscal year ending June 30, 1938; to the Committee on Appropriations.

By Mr. McGEHEE: A bill (H. R. 8162) to amend the act of Congress approved June 17, 1870, entitled "An act to establish a police court for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 8163) to reclassify the salaries of the foreman and requisition fillers and packers in the Division of Equipment and Supplies of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. DUNCAN: A bill (H. R. 8164) to make available each State which enacted in 1937 an approved unemployment-compensation law a portion of the proceeds from the Federal employers' tax in such State for the year 1936; to the Committee on Ways and Means.

By Mr. ENGLEBRIGHT: A bill (H. R. 8165) to add certain lands to the Trinity National Forest, Calif.; to the Committee on the Public Lands.

By Mr. HAVENNER: A bill (H. R. 8166) to authorize the Secretary of the Navy to proceed with the construction of a graving dock on San Francisco Bay, Calif.; to the Committee on Naval Affairs.

By Mr. RUTHERFORD: A bill (H. R. 8167) to extend the times for commencing and completing the construction of a bridge across the Delaware River between village of Barryville, N. Y., and the village of Shohola, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILLIPS: A bill (H. R. 8168) to amend the judicial code and provide for an additional district judge in Connecticut; to the Committee on the Judiciary.

Also, a bill (H. R. 8169) to amend the judicial code and provide for additional judicial facilities in Connecticut; to the Committee on the Judiciary.

By Mr. McREYNOLDS: Joint resolution (H. J. Res. 481) authorizing participation by the United States in the Eighth International Road Congress, to be held at The Hague in June 1938; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS: A bill (H. R. 8170) for the relief of the estate of Minerva (Nerva) May; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 8171) granting an increase of pension to Hannah Sims; to the Committee on Invalid Pensions.

By Mr. O'BRIEN of Michigan: A bill (H. R. 8172) granting a pension to John W. Elben; to the Committee on Pensions.

By Mr. WITHROW: A bill (H. R. 8173) for the relief of Vera P. Clancy; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3127. By Mr. CURLEY: Petition of the United Hospital and Medical Workers of New York City, urging enactment of Allen-Schwellenbach bill; to the Committee on Appropriations.

3128. Also, petition of the American Labor Party, Bronx, New York City, urging passage of the Black-Connelly bill; to the Committee on Labor.

3129. Also, petition of the Artists Union of New York City, urging enactment of the Allen-Schwellenbach bill; to the Committee on Labor.

3130. By Mr. FITZPATRICK: Petition of the Central Trades and Labor Council of Greater New York City and Vicinity, urging the passage of the Schwellenbach-Allen resolution no. 440, providing for the reinstatement of all workers dismissed from Works Progress Administration projects; to the Committee on Appropriations.

3131. Also, petition of the American Labor Party of Bronx County, New York City, N. Y., strongly urging the passage of the Black-Connelly wage and hour bill; to the Committee on Labor.

3132. By Mr. KEOGH: Petition of the Central Trade and Labor Council of Greater New York and Vicinity, endorsing the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3133. Also, petition of the Educators Association, New York City, concerning the Black-Connelly Fair Labor Standards Act of 1937; to the Committee on Labor.

3134. Mr. MERRITT: Resolution of the Citizens League Against Communism, Richmond Hill, N. Y., that a bill be introduced requesting Congressional investigation into the activities of the Communist Party and all its branches, to determine how many persons hold membership in said organizations, and who were granted the right of citizenship by taking the oath of allegiance to uphold the Constitution of the United States, and any and all of said persons, where it shall be determined holding membership in said organizations has violated said oath of allegiance, shall be deprived of the right of citizenship and therefore should be deported as undesirable aliens; to the Committee on the Judiciary.

3135. Mr. O'NEILL of New Jersey: Petition of Journey-men Barbers International Union, Local 296, Trenton, N. J., petitioning passage of Wagner-Steagall housing bill; to the Committee on Banking and Currency.

3136. Mr. PFEIFER: Petition of the United Hospital and Medical Workers, New York City, endorsing the Schwellenbach-Allen resolution; to the Committee on Appropriations.

3137. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, endorsing the Schwellenbach-Allen joint resolutions (H. J. Res. 440 and S. J. Res. 176); to the Committee on Appropriations.

3138. Also, petition of the Federation of Architects, Engineers, Chemists, and Technicians, New York City, concerning the Schwellenbach-Allen joint resolutions; to the Committee on Appropriations.

3139. Also, petition of the Educators' Association, New York City, concerning the Connery-Black wage and hour bill; to the Committee on Labor.

3140. Also, petition of the Washington Housing Association, Washington, D. C., concerning the Wagner-Steagall housing bill; to the Committee on Banking and Currency.

3141. Also petition of the Office of the Council of the City of Cleveland, Ohio, concerning the Wagner-Steagall housing bill; to the Committee on Banking and Currency.

3142. By the SPEAKER: Petition of the Independent Order of Odd Fellows, United Lodge No. 4, Colorado, concerning social-security law and payment of taxes; to the Committee on Ways and Means.

day Thursday, August 5, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. MEGILL, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President.

S. 191. An act for the relief of Orson Thomas;
S. 449. An act for the relief of the estate of Charles Pratt;

S. 792. An act for the relief of Margaret Larson, a minor;
S. 893. An act conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of Jack Wade, Perry Shilton, Louie Hess, Owen Busch, and William W. McGregor;

S. 972. An act for the relief of Ethel Smith McDaniel;
S. 1047. An act to authorize the city of Pierre, S. Dak., to construct, equip, maintain, and operate on Farm Island, S. Dak., certain amusement and recreational facilities; to charge for the use thereof; and for other purposes;

S. 1379. An act to authorize the Five Civilized Tribes, in suits heretofore filed under their original jurisdictional acts, to present claims to the United States Court of Claims by amended petitions to conform to the evidence; and to authorize said court to adjudicate such claims upon their merits as though filed within the time limitation fixed in said original jurisdictional acts;

S. 1401. An act for the relief of Willard Collins;
S. 1453. An act for the relief of Maude P. Gresham and Agnes M. Driscoll;

S. 1935. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of disbursing officers or agents of the Government for payments made pursuant to certain adjustments and increases in compensation of Government officers and employees;

H. R. 7472. An act to provide additional revenue for the District of Columbia, and for other purposes; and

S. J. Res. 171. Joint resolution relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission.

CALL OF THE ROLL

Mr. LEWIS. It is apparent that we have not now a quorum, and I suggest its absence, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Radcliffe
Andrews	Davis	Lee	Reynolds
Ashurst	Dieterich	Lewis	Schwartz
Austin	Donahay	Lodge	Schwellenbach
Bailey	Ellender	Logan	Sheppard
Barkley	Frazier	Loneragan	Shipstead
Berry	George	Lundeen	Smith
Bilbo	Gerry	McAdoo	Steiwer
Black	Gillette	McCarran	Thomas, Okla.
Bone	Glass	McGill	Thomas, Utah
Borah	Green	McKellar	Townsend
Bridges	Guffey	McNary	Truman
Brown, Mich.	Hale	Maloney	Tydings
Brown, N. H.	Harrison	Minton	Vandenberg
Bulkley	Hatch	Moore	Van Nuys
Bulow	Herring	Murray	Wagner
Burke	Hitchcock	Neely	Walsh
Byrd	Holt	Nye	Wheeler
Byrnes	Hughes	O'Mahoney	White
Capper	Johnson, Calif.	Overton	
Chavez	Johnson, Colo.	Pepper	
Clark	King	Pittman	

Mr. LEWIS. I announce that the Senator from Wisconsin [Mr. DUFFY] and the Senator from Georgia [Mr. RUSSELL] are absent on official duty as members of the committee to attend the dedication of the battle monuments in France.

I further announce that the Senator from Arkansas [Mrs. CARAWAY] is unavoidably detained; that the Senator from Idaho [Mr. POPE], and the Senator from New York [Mr.

SENATE

FRIDAY, AUGUST 6, 1937

(Legislative day of Thursday, July 22, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar